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Daily Report
Central Eurasia

FBIS-SOV-96-067 *5 April 1996*

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Russia: Chechen Government Approves Yeltsin Peace Plan

LD0404151396 Moscow ITAR-TASS in English 1530 GMT 4 Apr 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] GROZNYY, April 4 (Itar-Tass) — The Chechen government at its today's meeting has basically approved Yeltsin's peace plan for Chechnya.

The meeting, chaired by government leader Doku Zavgayev, was attended by commander of federal forces in Chechnya Lieutenant-General Vyacheslav Tikhomirov.

Tikhomirov said at the meeting that special operations against rebel groups would be continued at least until the middle of May. He said it is hoped that local peace accords would be signed by that time with most of Chechen villages and towns. The timetable for withdrawal of troops will be dependent on the accords, Tikhomirov said.

The withdrawal plan foresees that most of troops, except those to remain for permanent deployment in Chechnya, will leave Shelkovskiy, Nadterechny and Naurskiy districts in April and May.

Troops are to pull out of other areas of Chechnya in May-June to move to temporary stationing sites on Chechnya's administrative border with Ingushetia, Stavropol territory and Dagestan.

If there is no trouble in Chechnya, these troops may go to barracks in November.

Tikhomirov stressed that the border-stationed federal force might come back to Chechnya whenever necessary.

To remain in Chechnya are the 205th Brigade of the Russian Defence Ministry and the 201st Brigade of the Interior Ministry, Tikhomirov said.

The army brigade will be stationed near Groznyy's airport Severnyy and in Khankala and Shali. The interior forces are to remain in Groznyy, Gudermes, Urus-Martan, Shelkovskaya, Kalinovskaya and Chervlyonnaya.

Tikhomirov spoke at the government meeting of the recent events around the villages of Katyr-Yurt and Shalazhi which, according to their inhabitants, were air-raided after they had signed peace deals with troops. Tikhomirov said the federal troops had no relation to those air strikes.

A spokesman for the federal military command in Chechnya told Itar-Tass last Friday that the bomb strike on Katyr-Yurt was but inadvertent. He quoted the military command as having made apologies for the incident and extended condolences to families of victims.

Chechen security council chairman Ruslan Tsakayev said in a statement today that warplanes had repeatedly bombarded the village of Shalazhi, destroying 17 houses and damaging about 300. Tsakayev described the incident as "a provocation". Officials of the Russian and Chechen prosecutor's offices are carrying out an on-the-spot investigation in Shalazhi.

The deputy commander of federal forces in Chechnya, Stanislav Kondratyev, said Russian troops are responding by fire to rebel provocations and conducting operations to disarm rebel factions in several villages of Nozhay-Yurt, Shatoy and Urus-Martan districts.

Kondratyev said rebels opened small arms fire last night on positions of the 506th Motorised Infantry Unit on the outskirts of Vedeno. The troops struck back, destroying rebel positions.

Rebel resistance to the advancement of troops is strongest now in Nozhay-Yurt and Vedeno districts and on approaches to the villages of Benoy and Dargo.

A spokesman for Chechnya-based Russian Interior Ministry directorate told Itar-Tass that a Russian armoured personnel carrier was hit by a mine explosion in the Staropromyslovskiy city district of Groznyy about midday Wednesday.

Rebels used a remote-control land mine. The blast has injured two servicemen of the Saratov rapid reaction police force.

Russia: Chernomyrdin Confirms Dudayev Talks To Begin 4 Apr

LD0404183896 Moscow NTV in Russian 1800 GMT 4 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Rumors that Dudayev's emissaries are ready to begin talks with Moscow's intermediary were confirmed today. Russian Prime Minister Viktor Chernomyrdin stated in Kazan today that tonight President of Tatarstan Mintimer Shaymiyev and a Dudayev emissary will hold a first round of talks.

Russia: Dudayev Interviewed on Yeltsin Plan, Cease-Fire

NC0304151396 Baku TURAN in English 1431 GMT 2 Apr 96

[Interview of the President of Chechen Republic-Ichkeria Dzhokhar Dudayev to TURAN Information

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Agency" — TURAN headline: place and date not given]

[FBIS Transcribed Text]

Question: "Dear president, what is your attitude to proposal by the president of Russia Boris Yeltsin made in his statement March 31, 1996 during negotiations?"

Answer: We are realists and we are sure that the official Moscow is not ready to any normal talks. Yeltsin's team is waiting for our surrender.

Have a look. All the Chechen side warned us about and stated about has happened. Moscow is in a deadlock now and exceeds its time on the eve of elections. The Kremlin obtained none of its aims. In a civilised world one should answer for that. Naturally, the team of Yeltsin does not want it, but on the other part it has a great will to stay in power. That is why Kremlin on the eve of pre-election campaign considers that the talks are just tactical tricks, but they will not carry out such talks with us.

Q: "Does it mean, Mr. President, there will be no talks?"

A: "Look yourself. Firstly, to have talks with us means to surrender to the people of Chechnya. The present official Moscow can do it only under the fear to lose the power. Secondly, full value talks can take place only after cease of military actions and withdrawal of troops from the territory of Chechen Republic-Ichkeria. Concerning the Chechnya side, we are ready. Yeltsin should demonstrate good will and any problems can be solved.

Q: "Dzhokhar Musayevich, if the military actions in Chechnyans not been stopped? Have we get you right, if the president Yeltsin said he is ceasing military actions?"

A: These are only mere words. The fire was not stopped. Anyone can see that. Moreover, in some regions of so-called "cease of military actions " fierce fights are taking place now. It is misinformation , and it is not right to state that the cease-fire in Chechnya can take place only at the will of the Kremlin.

Q: "Mr. President, it was told to the world that Yeltsin was ready to talks with You through mediators. Can you explain us the situation and tell us who are those mediators?

A: You know, this gesture with the talks is quite false. From the very outset of the conflict such famous Russian politicians as Gorbachev and Shaymiyev expressed their will to become the mediators in the settlement of the conflict. Then we gave a positive answer. Later on, Yavlinskiy, Borovoy, Krasnov and some other officials offered their mediatory services. They are ready to help us even today. Our position did not change even now and these people can again be mediators.

Q: "Dzhokhar Musayevich, You said that one-sided will of the Russian persons are not enough for the settlement of the conflict. How do you see further development of events?"

A: The matter is that Moscow does not have such a will. Probably cease-fire will take place under the new president of Russia. I will add, that if Yeltsin wants to be re-elected for the second term he must, first of all, fulfill the will of his people which is categorically against this war. To be against the will of Russians and to be elected a president in such case is the same as to ride two horses simultaneously. No one could obtain it yet.

Russia: Yeltsin Signs Order on Composition of Chechen Commission

LD0404155296 Moscow ITAR-TASS World Service in Russian 1217 GMT 4 Apr 96

[By ITAR-TASS special correspondent Andrey Shtorkh]

[FBIS Translated Text] Belgorod, 4 Apr (ITAR-TASS) — Russian President Boris Yeltsin signed an order on the composition of the state commission for a settlement in Chechnya, headed by Prime Minister Viktor Chernomyrdin, and the statute on the commission. The ITAR-TASS correspondent learned this from Sergey Medvedev, press secretary of the president of the Russian Federation.

According to a source in presidential circles, the commission will include State Duma Chairman Gennadiy Seleznev, Federation Council Chairman Yegor Stroyev, four deputies from each house of parliament as well as eight ministers of the Russian Federation, including Interior Minister Anatoliy Kulikov and Vyacheslav Mikhaylov, minister of affairs of nationalities and regional policy.

An earlier report from Kazan by an ITAR-TASS correspondent, referring to a statement by Viktor Chernomyrdin, the following people were mentioned as the members of the State commission for a settlement in Chechnya: Tatar President Mintimer Shaymiyev; Valeriy Kokov, deputy chairman of the Federation Council and president of Kabardino-Balkariya; and Oleg Lobov, secretary of the Security Council of the Russian Federation.

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Russia: Emil Pain Interviewed on Chechnya Peace Prospects

MM0404135996 Moscow ROSSIYSKIYE VESTI in Russian 4 Apr 96 p 1

[Interview with Emil Pain, member of the Presidential Council and leader of the Russian Federation president's working group for the ending the fighting and rgulating the situation in the Chechen Republic, by Pavel Anokhin; place and date not given: "Fate of Peace in Chechnya Is Decided Not by Politicians but by the People"]

[FBIS Translated Text] [Anokhin] Emil Abramovich, the Russian president's public statement about the possibility of talks with the Dudayevites through mediators has given rise to contradictory reactions among readers. The list of mediators he has suggested has also been assessed in varying ways.

[Pain] First of all I want to stress that throughout the world such talks begin and are conducted through mediators. Those who demand open talks are displaying political dilettantism. It should be noted that the president's appeal speaks of the Dudayevites and not of any specific person although in principle contacts with individual figures of the opposition are not ruled out.

As for the names of the mediators, the Russian president did not so much give the specific names of candidates as indicate three categories of mediators. Thus, the well-known human rights champion Orlov appointed by Boris Yeltsin represents the human rights group and is merely one of them. Incidentally, Sergey Kovalev supported Orlov's candidacy.

Kazakhstan President Nursultan Nazarbayev represents major politicians.. Several other presidents of CIS countries have also expressed the readiness to take part in the peacemaking mission. The leaders of several components of the Russian Federation — Mintimer Shaymiyev, Ruslan Aushev, Viktor Stepanov, and Boris Nemtsov — are also ready to make efforts in this direction.

The third category of mediators could consist of representatives of traditional religious organizations, primarily the Muslim clergy. World experience attests to the effectiveness of this mediation.

[Anokhin] According to the first reports, what has been the Dudayev side's reaction to the peace proposals?

[Pain] Varied, it has not been homogenous. There are the extreme radicals, who will not agree to any talks, whoever may propose them. They have one task — the capitulation of the federal authorities. Of course not a single serious politician of any party allegiance will agree to conduct talks with the Dudayevites on those terms.

But there is also among the Dudayevites a moderate wing which does not reject compromises. Incidentally, some of them have already taken part in the talks.

Dzhokhar Dudayev himself is somewhere between them. Nonetheless, as we know, he has approved the candidate mediators suggested by the Russian president.

But I want to stress that the plan is not restricted to any one avenue or any one politician. The talks with Dudayev are an important part of the president's plan but not the only one. The cornerstone of the peace initiative is the inclusion of the Chechen people in the negotiations process. The Chechens must decide the peace issue independently.

[Anokhin] But will the Russian Federation president's peace plan not undermine Doku Zavgayev's authority?

[Pain] The president will not accept any actions on the Chechen issue without the permission of Doku Zavgayev, elected by the people as the head of the Chechen Republic. Moreover, Zavgayev is also a member of the Federation Council and a member of the state commission for the settlement of the situation in Chechnya.

Russia: Volskiy, Khasbulatov Discuss Yeltsin's Chechnya Plan

LD0404230196 Moscow Russian Public Television First Channel Network in Russian 1605 GMT 4 Apr 96

[Studio discussion with Ruslan Khasbulatov and Arkadiy Volskiy; from the "One-to-One" program moderated by Aleksandr Lyubimov — live]

[FBIS Translated Excerpt] [Lyubimov] Good evening, good evening, esteemed television viewers, and thank you for your applause. Last Sunday, President Yeltsin made public his plan for settling the situation in Chechnya. We had been waiting for it for nearly two months. Is the war over now? In today's program, Arkadiy Volskiy, a participant in the peace talks in Chechnya last year, goes one-to-one with Ruslan Khasbulatov, a man who also tried to implement his own peace mission in Chechnya. [passage omitted: Lyubimov cites an article in MOSKOVSKIYE NOVOSTI newspaper on seven ways to settle the Chechen conflict]

Let's now talk about the plan, which stipulated a cessation of military actions on Chechen territory from 2400 on 31 March. Is the war over, Arkadiy Ivanovich?

[Volskiy] I would like to say from the start that we will probably disagree in our assessments of the plan.

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For example, I think that the plan that was made public is quite acceptable. But on the day following the announcement, I told journalists that the plan is acceptable only if it is to be implemented. And the second thing I said was that we must have one commander in chief in our country, and not as many as possible. Only then would the plan be acceptable and would it be implemented.

Now look at the reaction to the plan after it was published. General Rokhlin said: That is it, a cessation of large-scale military actions means Russia bows down to Dudayev. In other words, he criticized it. Let's look further. For example, Gen. Tikhomirov [commander of the Joint Group of Federal Forces in Chechnya] said that they had been, were, and would continue — at first he said: to retaliate, and afterwards changed it to: military actions. That will not do. There must be one commander in chief in this country. We agreed to end the war. He gave the order to end the war from 2400 on 31 March.

An hour before leaving for this meeting, I read today's reports: Two people were killed and 12 wounded in Shalazhi as a result of an air raid by federal forces. An account of what happened in Shalazhi as a result of the bombing follows: More than 300 houses were destroyed to various degrees. [passage omitted: Volskiy says he received a telephone call from Lecha Magomadov, chairman of the National Accord Committee in Chechnya, who comes from Shalazhi; when Magomadov heard about the bombing, he went there, but was not allowed into the village]

And there was another report today. Zavgayev [chairman of Chechen Government] said that the latest bombings has caused irreparable damage to the peace settlement. He spoke on Thursday and said that the bombings shocked everyone and that all of Chechnya is in tears, and so on and so forth, and that was the end of the decree.

At the same time, Vyacheslav Tikhomirov, commander of the Joint Group of Federal Troops, who attended the sitting of the Chechen Government, described these reports as a serious provocation which should be carefully sorted out. At the same time, he said the Russian army, the federal troops, had nothing to do with the bombings. Yet again, unidentified airplanes, yet again — who carried out the bombing?

[Lyubimov] Perhaps you will answer the question. I don't know!

[Volskiy] I can't answer — perhaps Ruslan Imranovich can? I don't know who carried out the bombing. The person who is responsible should be sacked by the president immediately, tomorrow, and demoted too, because these were not civilian airplanes.

[Khasbulatov] It is only in the American army that when he expresses even slight dissatisfaction or even a hint of dissatisfaction with the commander in chief, the latter is immediately dismissed.

[Lyubimov] O.K., there is the decree, it has been published. Military actions should be stopped. Is it the defense minister or the chief of the General Staff, who did not give orders to the commander of the group [of federal forces in Chechnya; Gen. Tikhomirov] or the commander of the [North Caucasus military] district, Kvashnin? What is the procedure? And the head of the Air Force [Petr Deynekin], who is not under Tikhomirov's command, is sending airplanes. How does it happen?

[Volskiy] [words indistinct] there was bombing at 1600, there was bombing in the evening. I am asking... [changes thought] Someone introduced the term mopping-up. It is a dreadful term and — you know what I mean.

[Lyubimov] It was invented in the street markets of Moscow.

[Volskiy] So, if things continue like this, the president should have an urgent mopping-up of his entourage. If I were he, I would have had it done last night after the first bombings. [applause in audience]

[Khasbulatov] Perhaps that was the plan?

[Volskiy] I don't think so. You know, on the eve of the elections, one might lose one's prestige. Incidentally, I can honestly say that after the president announced that the war would be stopped and that talks would be started and these two processes would go in parallel, his prestige grew in my eyes. I said that openly and can repeat it any time. But if his decree is not implemented... [sentence as heard]

[Khasbulatov] The thing is: this plan has so many internal contradictions that I have no misunderstanding about these actions. They are a logical part of the so-called plan. [passage omitted: exchange of casual remarks; voice-over with Volskiy's profile; Khasbulatov criticizes the plan and current Russian policy in Chechnya in general terms; Volskiy recalls his time in Chechnya last year; Khasbulatov reiterates need for peace talks between the parties to the conflict; voice-over with Khasbulatov's profile]

[Lyubimov] Some people say that the problem of the Chechen war can be resolved in Moscow. There are two influential groups around Yeltsin in Moscow and they

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are fighting each other through Chechnya. One group is using it as an off-shore zone and a convenient way of laundering money or oil, or anything you want.

[Volskiy] Do you have any doubts about this? [applause in audience]

[Lyubimov] I will have my doubts until I know the names. Do you know the names?

[Khasbulatov] For example, it is said that last year, 7 trillion rubles were invested in Chechnya. Recently, as you know, Groznyy has been captured by resistance detachments and after that, all these 7 trillion rubles were written off. And now they are saying that everything was destroyed so that one does not have to give an account for these 7 trillion. Do you know that?

[Lyubimov] Yes, I do. But who?

[Khasbulatov] What do you mean, who? Those who are waging a war there, those who are sending [troops] there.

[Lyubimov] In other words, you think the president sends 7 trillion rubles, makes an arrangement with the bank that the latter should not send the money, but prepare paperwork saying that the money has gone to Chechnya; after that, he telephones Dudayev, Dudayev says yes and sends his militants — do I understand you correctly?

[Volskiy] I think Aleksandr Mikhaylovich Lyubimov understands everything correctly...

[Lyubimov, interrupting] Don't frighten me!

[Volskiy] One second, let me finish. I think you understand everything correctly, but you should not say it is the president. There are people below him who are doing that. One does not need a title for that, one simply needs opportunities for that, so to speak. Do you remember your "Vzglyad" program in which [Interior Minister] Gen. Kulikov and I took part?

[Lyubimov] Yes, I do. It was last year after the talks had ended.

[Volskiy] We told you everything openly then, or almost everything. And after that, one should start a journalistic investigation, including you, among others, because we told you almost everything.

[Lyubimov] Do you believe in an journalistic investigation? [passage omitted: general discussion and recollections]

[Volskiy] In [Anatoliy] Romanov's [former commander of the Joint Group of Federal Forces in Chechnya] case, there were a lot of details: the same cable, from the same coil, was used in his case, as in the attempt on the life of Lobov [Russian president's plenipotentiary representative in Chechnya]. The same hands, the same hammer and nails — in short, there were all the indications that these were done by the same people. I assume that if, for example, I were the investigator, I would at least say: I don't know the names, whether it was Ivanov, Petrov, or Akhmetov — I don't know, but I know for sure that they originated from that side, for example, so that people should know what forces were responsible. There are different forces there, [Beslan] Gantemirov, [Ruslan] Labazanov, and others. But could one at least say which side was responsible? It was never said. Therefore, we keep saying that we interrupted the talks after the assassination attempt, but we never said who was responsible for it. [passage omitted: Khasbulatov says talks should have continued despite the attempt on Romanov's life; says Romanov was highly respected in Chechnya; Khasbulatov on situation in general; final 15 minutes of show devoted to questions from the audience, which are of a general nature]

Russia: Foreign Ministry Criticizes UN Report on Chechnya

LD0404153496 Moscow INTERFAX in English 1510 GMT 4 Apr 96

[FBIS Transcribed Text] MOSCOW, April 4 (Interfax) — The U.N. secretary-general's report, drafted by the U.N. Human Rights Center and submitted to the 52nd session of the U.N. commission of Human Rights "inadequately presents the situation in the region," the Russian Foreign Ministry's spokesman Grigoriy Karasin said at a briefing in Moscow Thursday [4 April].

"The report does not say that the separatists have foiled the peace agreements and opted for the tactics of open terror," he said. "Neither does it fully reflect the opinion of the Russian side or say anything about an intensive dialogue on the Chechen problems between Russia and the U.N. high commissioner on human rights," said Karasin.

"Undoubtedly, we shall take all this into account in deciding on the expediency of our relations with the U.N. high commissioner on human rights, whose envoy in charge of the Chechen problem has visited Russia recently and held a series of talks," he went on to say.

Karasin expressed the hope, however, that the U.N. high commissioner on human rights "will propose programs for supporting the federal authorities' efforts to improve the human rights situation in Chechnya." "This is particularly important now that President Yeltsin has proposed a plan for settling the conflict in Chechnya," said Karasin.

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Russia: Commander Kvashnin Gives Briefing on Chechnya Situation

MM0404190596 Moscow KRASNAYA ZVEZDA in Russian 5 Apr 96 p 3

[Report by Vladimir Arefyev from the North Caucasus Military District Press Center: "The Military's Tactics — Talks. The Commander of the North Caucasus Military District Is Confident That This Is the Only Tactic Capable of Bringing Peace to Chechnya"]

[FBIS Translated Text] The topic of the news conference given by Colonel General Anatoliy Kvashnin, commander of the North Caucasus Military District, was the situation in Chechnya before and after the announcement of the president's plan for the settlement of the conflict. The district commander noted that the military's initiatives for a peaceful solution to the Chechen crisis, which were put forward last year at the talks in the village of Sleptsovskaya, have finally received support at the highest state level. Thanks to the many days of intensive talks between the military leadership and the population of the villages and hamlets the situation across most of the republic's territory was stabilized even back then.

In his address the North Caucasus Military District commander stressed several times that the Russian Federation Defense Ministry troops are not conducting military operations in Chechnya today but are merely carrying out unavoidable actions involving the use of force against Dudayev's men who have been violating the peace agreements. The main events are now taking place in the southwest of the republic, Anatoliy Kvashnin noted. Around 2,000 bandits, including mercenaries, have massed in Vedenskiy Rayon. The federal troops are taking the appropriate measures in response to provocation. The rest of Chechnya's territory, according to the North Caucasus Military District commander, is under the control of the republic's government to which the federal forces are giving the necessary help. In many rayons where a peaceful life is being restored the local residents themselves have driven the bandits out of population centers and are acceding to the tripartite agreement on peace and accord.

Col. Gen. Kvashnin noted that, according to current information, some gunmen have already realized that Dudayev's adventurist policy has failed. But people are continuing to die on both sides. Journalists asked the commander to name a specific figure for losses among the North Caucasus Military District's units and subunits. It turns out that, since the beginning of March 1996, losses have numbered 30.

Some of the mass media have reported that there are Cossack subdivisions operating among the federal forces. In Col. Gen. Kvashnin's words, this does not correspond to the facts. Within the federal forces on Chechen territory there are several subunits formed from sergeants and men serving under contract, many of whom joined the Army from the Don, Kuban, and Stavropol regions, they come from pure Cossack families and uphold the Cossack community's traditions and customs. But this does not provide the slightest justification for talking about special Cossack subunits.

As for the conditions faced by federal servicemen in the Chechen Republic today, Col. Gen. Kvashnin stressed that they have never had the full statutory complement of equipment and weapons and are living in camps and not, unfortunately, in special-purpose buildings. But the district's troops have no problems with the supply of clothing and food. The servicemen are receiving everything to which they are entitled according to the food and clothing norms.

When journalists asked if the federal troops numbers in Chechnya are being reduced, Col. Gen. Kvashnin replied that troop withdrawals are taking place virtually all the time. According to earlier accords and the president's program for a settlement in Chechnya, only one Russian Defense Ministry motorized rifle brigade is going to be deployed here on a permanent basis.

Russia: Dudayev Combatants Maintain Stiff Resistance to Troops

LD0504104596 Moscow ITAR-TASS in English 1019 GMT 5 Apr 96

[By Boris Kipkeyev]

[FBIS Transcribed Text] MOSCOW, April 5 (Itar-Tass) — Dudayev's men are putting up stiff resistance to the federal troops in eight populated localities of the southern and southeastern highland areas of Chechnya. The federal troops are continuing "special operations against them" in those areas. The troops are suffering losses, the number of which is being checked, Itar-Tass was told by a trustworthy military source within the group of federal troops deployed at Khankala (a suburb of Groznyy). He noted that hostilities were continuing in the Nozhay-Yurt, Vedeno, Sharoy, and Urus-Martan districts.

The source said that Dudayev's men were firing for the second day running on the positions of the mobile detachments of the federal troops, operating in the area of the villages of Vedeno, Tsa-Vedeno, Dargo (Vedeno District), and Stary Achkhoy (Achkhoy-Martan District). Shamil Basayev's gang opened fire several

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times over last night on detachments of the 506th motorised infantry regiment, deployed near Vedeno.

A difficult situation persists near the village of Goyskoye, Urus-Martan District, where federal troops are trying to clear the locality of bandits. The source refused to comment on the progress of that operation, saying only that "Dudayev's men were replying by fire for the second day running to all the demands of the federal troops to lay down arms". The military believe that "no further talks are possible with them after they shot down a Su-25 plane over the village of Goyte, Goysk District, on Thursday".

No official information was so far received from the Federal Command on the military situation in the southern part of Chechnya.

Russia: Expert Claims Dudayev Has Warplanes in Azerbaijan, Turkey

LD0504093196 Moscow ITAR-TASS in English 0923 GMT 5 Apr 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, April 5 (Itar-Tass) — Dzhokhar Dudayev has military aircraft, which are based on the territory of Azerbaijan and Turkey. They are used to raid Chechen populated localities, Anton Surikov, expert of the Russian Defence Research Institute, told Itar-Tass today.

He pointed out that a part of Dudayev's airforce was moved in good time to Azerbaijan and Turkey, where it is now based. It was not destroyed and continues to discharge various missions, including provocative bomb and missile strikes at peaceful populated localities that refuse to back Dudayev. For propaganda purposes, the blame for these bombing raids is put on the Russian airforce.

The main forces of Dudayev's aviation, according to the expert, are concentrated at the "Stantsia Nasosnaya" airfield near Baku. Based there are units consisting of An-24 and An-26 planes, and also a helicopter squadron. These aircraft are being used to carry weapons and ammunition along the Nasosnaya-Belokaniy-Zakataliy route (the end point is located in a mountainous area of Azerbaijan, bordering on Russia). The weapons, ammunition, medical supplies, and other goods are reloaded to heavy trucks and horses on field landing strips and helicopter platforms there. "Some planes intrude at low altitude into the air space of Russia at nighttime and land on airfields controlled by Dudayev's men," the expert said (there are supposedly three such airfields in the southern districts of Chechnya).

Another part of Dudayev's actively operating aviation, according to Surikov, is based at the Bitlis airfield in Turkey. These aircraft are used to carry weapons, drugs, counterfeit money, and to take wounded men for treatment to hospitals in Turkey and other Islamic countries that support Dudayev.

Russia: Turkey, Azerbaijan Deny Presence of Dudayev Air Bases

LD0504115796 Moscow ITAR-TASS in English 1141 GMT 5 Apr 96

[FBIS Transcribed Text] MOSCOW April 5 (Itar-Tass) — The assertion of an expert of the Russian Institude of Defence Studies, in an interview with Itar-Tass, that airbases of pro-Dudayev aviation are situated in the south-east Turkish province Bitlis and also near the Azeri capital Baku prompted denials from the authorities of Turkey and Azerbaijan.

The Turkish Foreign Ministry regards this assertion as absolutely untrustworthy, Itar-Tass reported from Ankara. "Such reports are not in keeping with reality and are nothing but invention," the Turkish Foreign Ministry information agency stated. "What is more, there is no airfield, either civilian or military, in Bitlis area."

The Foreign Ministry spokesman reaffirmed Turkey's stand on the Chechen problem, saying that Turkey regards it Russia's domestic affair and declares for a peaceful solution to the conflict in the framework of Russia's territorial integrity.

Press Attache of the Azeri embassy in Moscow Farkhad Agamaliyev dismissed as "utter nonsense" the report of an expert of the Russian Institute of Defence Studies about missions flown by Dudayev aviation from Azerbaijan's territory.

"This is not the first time that such accusations are made," the Press Attache said. "In January 1996 it was said that Dudayev's planes, allegedly, based at Stantsiya Nasosnaya airfield. The information was thoroughly checked on the spot by the authorities and also by Director of the Federal Frontier Guards Service Andrey Nikolayev in person. There are neither clandestine nor open bases for Dudayev's planes or helicopters in Azerbaijan."

Circles in the Azeri Defence Ministry described the report of the expert as "someone's pro-Dudayev cannard" and "the striving to cause tension in Azeri-Russian relations". Itar-Tass reported from Baku. It was learned from the Defence Ministry that there is well-organised interaction and exchange of information between the frontier services of Azerbaijan and Russia and there is no ground to say that Dudayev men operate from Azeri territory.

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CIS: ITAR-TASS Carries Press Review for 5 Apr

LD0504052796 Moscow ITAR-TASS in English 0456 GMT 5 Apr 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW April 5 (Itar-Tass) — Follows a review of Friday's Moscow-based Russian newspapers dated April 5.

ROSSIYSKIYE VESTI on President Boris Yeltsin's trip to Belgorod Region.

The Head of State has assigned two days for his familiarisation with the state of affairs in the region, the newspaper points out.

"This alone suggests a conclusion about importance which Yeltsin attaches to the reformist efforts of the present Federal authorities and to their constructive work in the regions".

The newspaper estimates that "this is not only an election-campaign trip by a presidential candidate but is also a businesslike, working visit by the Head of State to the region, the development of which is interesting and instructive in many respects".

RABOCHAYA TRIBUNA on the signing of the Treaty on the founding of a community of two states — Russia and Belarus.

"Now that the major document has been signed, one should look for benefits which it promises, not for its faults".

"By combining the intellectual and material resources, the peoples of Belarus and Russia will be able quicker to overcome crisis phenomena and play a more dynamic role in contemporary relations. It is a question of a closer alliance or a community of states, which is visualised to be based on the principles of equality, democracy, and a socially-oriented market economy".

IZVESTIYA on the West's preferences about a person who will be elected president in Russia.

The newspaper carries an article by political news analyst Stanislav Kondrashev, who examines the matter. On the strength of analysis of judgments by serious American analysts, he arrives at a conclusion that the choice is upon Boris Yeltsin.

ROSSIYSKIYE VESTI on election campaign in Buryatia and Omsk Region.

The newspaper's correspondents analyse the state of affairs in the regions in the light of the current election campaign. In Buryatia, the Communists display a vigorous activity while in by-elections to the Legislative Assembly of Omsk Region not a single Communist candidate emerged victorious.

IZVESTIYA on draft dodging.

The newspaper runs an article about an army draft campaign. Correspondent Aleksey Belyanchev, together with a District Police Inspector visited the apartments of draft dodgers, whose parents at times did not even open the door.

Military news analyst Viktor Litovkin has contributed an article in which he points out that "the reasons which draft-age youths give as to why they evade being drafted include the war in Chechnya, hazing and bullying, and poor nourishment". He writes about the number of draft dodgers, about criminal proceedings instituted against them, emphasising the passive attitude of lawmakers who have not up to now found time to set about passing an Alternative Service Law which provided for in the country's Constitution.

KRASNAYA ZVEZDA on the draft campaign.

Major-General Nikolay Klimenko, Chairman of the Sverdlovsk Regional Council for Assitance to the Army, is of the opinion that the quality of the draft depends in many respects on assistance and support from local authorities.

TRUD-7 weekend edition on vagabonds.

Correspondent Nadezhda Nadezhdina, upon visiting the Night Shelter Centre in Moscow, arrives at a conclusion that "reintegrating this category of our co-citizens into normal life still remains a task with many unknown quantities".

IZVESTIYA on the collection of taxes from GAZPROM.

The newspaper's journalist Sergey Leskov writes about a scandalous situation concerning the collection of taxes from GAZPROM, one of major Russian companies. Everything seems to indicate that the Company may appeal against the Tax Inspectorate's decision, which is viewed as erroneous, in a law-court.

But the Company is unlikely to take this step, for political consequences of such a move in the election-campaign period are unpredictable, because the money exacted from GAZPROM has already been funnelled through the budget to the repayment of wage arrears throughout Russia.

KOMSOMOLSKAYA PRAVDA carries an interview taken by Andrey Vandenko from TV programme host Andrey Karaulov.

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Russia: Moscow 'Closely' Following Developments in Korea

LD0404145196 Moscow ITAR-TASS in English 1439 GMT 4 Mar 96

[By Denis Perkin]

[FBIS Transcribed Text] MOSCOW, April 4 (Itar-Tass) — "We closely follow the developments on the Korean peninsula," Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing today.

He answered a question from Itar-Tass about the attitude of the Russian Foreign Ministry to the refusal of North Korea to fulfil obligations stemming from the armistice with South Korea.

Karasin recalled last week's statement of the Russian Foreign Ministry which, specifically, says: "Recognising that the 1953 armistice agreement is outdated, we believe at the same time that the system of maintaining peace and security in Korea basing on the armistice agreement should be preserved until a new structure is worked out that will take into account the interest of all the parties involved and will not damage their security. We deem it necessary to emphasise again that Russia is for the easing of the military-political confrontation in the Korean peninsula, for restraint in actions of the parties and for the solution of problems through talks. This is the purpose of our proposal to convene an international conference for comprehensive solution of problems of the Korean peninsula."

The Russian Foreign Ministry also exerts considerable efforts in a practical sense, Karasin said. He said that Russian Deputy Foreign Minister Aleksandr Panov is to visit Pyongyang on April 10-12. "He will have contacts with chiefs of the North Korean Foreign Ministry and, I believe, the question of stability and security in the Korean peninsula will be among top priorities," Karasin said. Contacts continue along other lines, also through the North Korean embassy in Moscow and through the Russian embassy in Pyongyang," Karasin said.

Russia: Chinese Speaker Calls For 'New Spheres of Cooperation'

MM0404153596 Moscow IZVESTIYA in Russian 4 Apr 96 p 3

[Report by Yuriy Savenkov: "China Does Not Need Upheavals in Relations With Russia. The Laconic Leader of the PRC Parliament Managed To Say a Good Deal in Moscow"]

[FBIS Translated Text] "The nub of the visit?" — a Chinese diplomat repeated the question and after a moment's reflection astounded us: "You journalists take a condescending attitude to parliamentary trips, but this is a state visit. Is this not the nub? Not often is a parliamentary delegation received not only by the chambers' speakers but also by the president and premier."

The diplomat was alluding, of course, to the unusual figure of the chief Chinese parliamentarian. Qiao Shi, 71, is one of the mighty seven members of the CPC Politburo Standing Committee and — who can tell? — maybe the no. 2 guy in the Chinese hierarchy. Observers long ago nicknamed Qiao Shi an "enigmatic figure." Can you imagine a laconic speaker? That is what Qiao Shi is. At the time of the 1989 Tiananmen tragedy world agencies hastened to report his appointment as general secretary in place of Zhao Ziyang, who was accused of splitting the party and supporting the demonstrators. The rumor proved false, but Chinese friends assured me at the time that this post was offered to Qiao Shi, but he refused it. Always in the shadow?

He appeared just as restrained yet self-assured to a small group of Russian journalists. Incidentally, his name Shi means "stone." Secret meaning has always been attached to names in China, you know, and it is thought there that they can even change a person's destiny.

After Qiao Shi became head of the Chinese parliament three years ago, he started resolutely advocating democracy, the supremacy of law, and a stronger role for the National People's Congress. Observers try to guess what drives him: A desire to make a political career or sincere concern for democracy? But now that they want to maintain stability in China at all costs and that the talk of political perestroyka has somehow flagged, he, who previously went unnoticed among the initiators of revision of the prevailing guidelines, is the one who is taking unusual steps.

Russian diplomats are convinced that it is no coincidence that Qiao Shi's visit is taking place during these pre-election days, for it could have taken place later, but Beijing has evidently decided objectively to support Yeltsin. Chinese diplomats declare, however: We are gambling on neither Yeltsin nor Zyuganov, and we respect the choice of a country which is strategically important to us. But speculation about the communist hue of the trip, with an allusion to the reddening of the Russian Duma, is unfounded. China values too highly the deideologization of our relations, achieved through suffering. They have become more confiding, and Zyuganov's program-maximum is hardly to the liking of the present Chinese communist pragmatists.

Above all, Yeltsin's visit to China, which will take place 24-26 April, was discussed in Moscow. A declaration will be signed in Beijing and will, incidentally, enshrine

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cooperation between the two powers in the international arena, particularly the Asia and Pacific region. Admittedly, the Chinese do not support the idea of a close Russian-Chinese alliance to reduce U.S. influence in the world and to counter NATO's eastward expansion: There will be no return to a system of alliances. Of course, the nub will be an unprecedented action: The top leaders of Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan will sign a document on confidence-building measures in the military sphere in the region of the former Soviet-Chinese border. This step is extremely important for the Asia and Pacific region, where they are still contemplating where to begin: with disarmament or confidence-building measures.

Incidentally, the Russian president's remark, published by ITAR- TASS, about an agreement on pulling back troops from the border proved to be an annoying slip of the tongue. There is as yet no agreement on a troop reduction. The problem is that our troops are stationed in direct proximity to the border, since the whole infrastructure is there, while theirs are in the interior for the same reason. In the view of our diplomats, the Chinese could concede, taking account of the very high level of our military-technical cooperation.

Unfortunately, the dynamics of military cooperation are plainly outstripping economic ties. Our countries, to all appearances, now intend to emphasize large-scale projects geared to the 21st century — power generation, transport, and communications. In the Russian president's opinion, it is necessary to accelerate the border demarcation. But once again Maritime Kray Governor Nazdratenko is rebelling against this, as though he had forgotten that the colossal military expenditure in the past complicated life for Moscow and Beijing by holding back the socioeconomic development of both by many years.

Meanwhile Qiao Shi, the laconic leader who has left rhetoric to others, even though he does not know Russian and this is his first time in Russia — which is very unusual for a Chinese leader — is keeping a close eye on Russia, so he says, and believes that good-neighborliness and friendship are the correct choice of our peoples and that it is necessary to open up new spheres of cooperation and, most importantly, to educate the young generation.

Russia: Official Previews Yeltsin Visit to China 24-26 Apr

LD0404190996 Moscow INTERFAX in English 1707 GMT 4 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, April 4 (Interfax) — President Boris Yeltsin can visit Kazakhstan later this month, a high ranking Foreign Ministry official told Interfax Thursday. He said the president will stop over in Almaty on the way to China or back.

The visit to China is scheduled for April 24-26 and its program is being discussed with the Chinese side, the diplomat said adding that Yeltsin plans to spend two full days in China: one in Beijing and the other in Shanghai.

According to the official, Yeltsin will hold talks with President Jiang Zemin one on one and with delegations after which the two leaders are to sign a package of bilateral agreements. The Russian leader should also meet Chairman of the State Council Li Peng.

In Shanghai he is expected to meet the local leadership and business representatives as well as see the sights.

Shanghai will also host the ceremony of signing a five-sided agreement on confidence-building measures in the military sphere on the Chinese border. In addition to Russia and China it will be joined by Kazakhstan, Kyrgyzstan and Tajikistan.

The diplomat said it will be the first confidence-building agreement in Asia but it will not cover cuts in armed forces in the frontier zone. "Separate talks are held on the issue," he said.

Over 15 agreements are expected to be signed during Yeltsin's stay in China, among them a joint declaration, agreements on trade, economic relations, nuclear energy, space exploration and environmental protection. "10 of them are ready and the rest are under work," the diplomat said.

He singled out the agreement on checking routes of oil, gas and electricity transportation from eastern Siberia to Asia. The diplomat called it the most promising project in Asia open for other countries and companies.

"The development of deideologized, mutually profitable and good-neighborly relations with China is one of priorities of Russia's foreign policy," the senior diplomat said.

"Moscow proceeds from the neighboring China is a great power of the XXI century," he said. "The future of Russia's reforms, foreign policy and relations with the West depend on its relations with China."

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"The establishment of good and businesslike contacts between the leaders of the two states, comparable with those with the United States and other major states, is one the major achievements of Moscow and Beijing," he said.

However, the diplomat warned against representing Russian-Chinese relations "exclusively in the pink light." He admitted that "talks on many issues with Beijing are going hard." "In addition, the two states are still split on a number of issues" such as disarmament and nuclear tests.

Moscow and Beijing maintain a vivid dialogue on human rights, the diplomat said. "Russia believes that quiet diplomacy is more effective with China than passing resolutions at international forums."

Speaking on the border dispute, he said the jurisdiction of two sections of land, two islands near Khabarovsk and the island Bolshoy on the Argun river, had not yet been settled. "The Chinese maintain the islands are theirs, while Russia will insist on its sovereignty over them," he said.

Commenting on the illegal Chinese immigration in Russia, the diplomat said this is not a deliberate expansion masterminded by the Chinese side. "We should bring about order to our own home, particularly, to pass a law on foreigners we have been pushing through parliament for already five years," he said.

Moscow is not satisfied with the present volume of trade and economic relations with China, the diplomat said. According to his information, bilateral trade amounted to $5.5 billion in 1995. "Though China is one of Russia's top five foreign trade partners, we have been unable to engage the entire cooperation potential," he deplored.

At the same time, the diplomat did not exclude "the hypothetical possibility of China turning into an enemy of Russia."

"We seek to create such predictable relations which would exclude such a possibility," he underlined. "Moscow will see how Beijing will behave with Russia and other states as well as how the events will unfold inside China."

He called military technical cooperation with China an important and promising sphere of bilateral relations, both commercially and politically.

The diplomat said military cooperation during the past few years amounted to $2 billion. "Along with India, China is Russia's important partner in this sphere," he stressed.

However, Russia does not give China all it could, he said. "We are guided by a number of rules which provide for ensuring our own security, international obligations in non-proliferation of mass destruction weapons and preserving the regional balance," he said.

He ruled out the possibility of any alliance between Moscow and Beijing in response to NATO enlargement.

"It is absolutely unrealistic and does not meet our interests. The Chinese will not agree to such an alliance either," the diplomat said.

Moscow considers Taiwan as a part of China and backs a peaceful resolution of their dispute, the diplomat said.

Russia does not have official relations, but maintains "not so bad trade, economic and cultural relations with it," chiefly between private entities, he underlined.

Last year, bilateral trade totalled $1.8 billion, while Russia had a positive balance, he said.

There are plans to establish a direct air service between Russia and Taiwan, the Russian diplomat said.

He underlined that Russia does not intend to sell arms to Taiwan.

Moscow will host the first Russian-Hong Kong seminar on bilateral cooperation on April 29-30, the diplomat also said.

The seminar, to be attended by a representative delegation from Hong Kong, will be held under the auspices of the Russian Foreign Ministry, he said.

Russia: Kaliningrad Corridor Not Discussed at Davydov Warsaw Talks

LD0404215196 Moscow INTERFAX in English 1707 GMT 4 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] MOSCOW, April 4 (Interfax) — Russia's Deputy Prime Minister Oleg Davydov did not raise the issue of a transit corridor between Russia and the Kaliningrad region through Poland during his stay in Warsaw on April 1 to 4, Davydov's PR staff told Interfax Thursday.

Moscow is far from thrusting this idea upon its counterparts as a subject of talks, the staffers quoted Davydov as saying. The question is only how to use Poland's transport routes for Russian transit, Davydov said.

The Warsaw talks focused on widening bilateral cooperation in machine-building, agriculture, navigation and road transport, including through encouraging the creation of Russian-Polish joint ventures, the sources said.

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In particular, the negotiators discussed joint projects involving the construction of a road from Moscow to Paris via Minsk and Warsaw and a gas pipeline from Russia's Yamal peninsula to Germany through Poland.

The pipeline will help boost Russian gas supplies to Poland from presently 3 billion to 14 billion cubic meters by 2010. Experts estimate the costs of the Polish section of the pipeline at $1.5 billion to $2 billion.

Prior to this, Davydov had told Interfax that "Poland is one of the few former Comecon countries with which Russia is boosting bilateral trade."

Russia: Polish President 'Upbeat' About Relations

LD0504100396 Moscow ITAR-TASS in English 0936 GMT 5 Apr 96

[By Aleksandr Potemkin]

[FBIS Transcribed Text] WARSAW, April 5 (Itar-Tass) — President of Poland Aleksander Kwasniewski sounds upbeat about relations between his country and Russia ahead of his next week's visit to Moscow, Katyn and Irkutsk.

"In the past, we talked too much about friendship but more often than not it was mere verbiage, not facts. But today we have a possibility to turn friendship into the very substance of Polish-Russian relations — this is evidenced above all by the sentiments of the peoples, both Russian and Polish," the President said.

President Aleksander Kwasniewski said in an exclusive interview with Itar-Tass before the beginning of his visit to Russia from April 9 through 11, that his trip would be of special significance to bilateral relations as it came after a long break.

"The very fact that we resume our contacts at the top level shows that dialogue between Poland and Russia is restarting in full earnest," the President said.

In fact, he sees taking the newly revivified relationship between the two countries to the top state level as the main political objective of his trip to Moscow.

Kwasniewski expects his meeting with Boris Yeltsin and talks with the leading Russian politicians to be "very frank about our vision of relations between the two countries and our attitude to new developments in Europe."

"I want this visit to help revivify our economic relations. The visit provides a good opportunity for singing some new agreements and impart an impulse to better economic relations and better use of the opportunities that are offering themselves," the President said.

Another problem to which the Polish President attaches particular importance and hopes to expedite its solution during his visit to Russia is related to "humanitarian infrastructure of relations," including contacts between groups of people, cultural and youth exchanges and the presence of Polish culture in Russia and vice versa.

The President said all of them were necessary "to get rid of the stereotypes still existing on both sides." Both countries feel the need to pass on from "the difficult — now tragic and now heroic — past to a future," the President said.

It is time to think about the future and open new perspectives, Kwasniewski said. "I believe that we can offer them this good, long-term perspective of peace and good Polish-Russian cooperation," he stressed.

The Polish President confirmed his country's stance on NATO expansion and said he wanted to explain the stance to the Moscow partners, to explain "that our intentions do not include the building of a new frontier along the river Bug in Europe."

"Our strategic objective is clear," Kwasniewski said. "But we must also take into account remarks, apprehensions and certain touchiness of our partners," he said.

"I think it necessary during our talks with NATO to conduct active dialogue with Russia, Ukraine and Belarus. I am against Poland turning into a flank advanced against Russia and anything else east of its territory. It would be fully preposterous," Kwasniewski said.

"We have friends in the West and friends in the United States. And we want our closest neighbours, above all Russia as a most important neighbour, to be our friends," Kwasniewski said.

Russia: Iran-U.S. 'Propaganda Confrontation' on Afghanistan Noted

NC0504103196 Moscow Voice of Russia World Service in Persian 1500 GMT 4 Apr 96

[Unattributed commentary: "Iran, the Talebans, and the United States of America"]

[FBIS Translated Text] As everyone knows, the political-propaganda confrontation between Iran and the United States of America on the international scene knows no limits in finding pretexts for arguments and disputes. Tehran and Washington are accusing each other of various wrongs and sins. This time it is the situation in neighboring Afghanistan where confrontation among several large groups has become a pretext for anti-American statements in Iran.

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IRNA published a statement saying that the United States is providing the Taleban opposition movement in Afghanistan with arms. The news agency referred to Afghan sources, saying that according to these sources a convoy of trucks carrying arms and ammunition and escorted by American citizens left Quetta, Pakistan for Qandahar, Afghanistan where the Taleban headquarters are located. In addition, IRNA reported that in Afghanistan's Helmand Province, which is under the control of the Taleban movement, American arms have been seen and that foreign military advisers, including American military advisers, are on the movement's bases.

As we know, the government of Afghan President Borhanoddin Rabbani speaks constantly about possible links between the Talebans and foreign forces. However, Kabul officials accuse Pakistan of supporting this movement. Meanwhile, Islamabad has rejected all these allegations. At least until now the Afghan Government has not filed any complaint against the United States as far as the Taleban issue is concerned. The fact that in view of President Rabbani's statement, the Kabul government accuses Washington of not showing any interest in developments in Afghanistan unlike in the past, is another issue. Actually this is a very fair observation because in the past the Americans extended great assistance to the mujahedin.

Meanwhile, it is very obvious that Tehran's approach to the Talebans is extremely cold. According to a number of observers, this is not only because of Tehran's good relations with the current officials in Afghanistan but because of its suspicions that the Taleban movement is supported by Saudi Arabia and America. Iran has many disagreements with Saudi Arabia because of the Hajj pilgrimage issue and other issues. Also, it is understandable that Washington is Tehran's longlasting and irreconcilable opponent on the international scene. Therefore, it is highly possible that Iran's allegations about America's military support for the Taleban movement will be regarded by the world, first and foremost, as one phase of the Iranian-American political-propaganda confrontation.

If Tehran had genuine documentation, the issue would have been different. But as we see, currently the issue concerns reports by Afghan circles that IRNA has used.

Russia: Moscow Opposes Economic Sanctions Against Sudan

LD0404170896 Moscow ITAR-TASS in English 1617 GMT 4 Apr 96

[By Dmitriy Zelenin]

[FBIS Transcribed Text] MOSCOW, April 4 (Itar-Tass) — Russia is against imposing economic sanctions on Sudan, Russian Foreign Ministry spokesman Grigoriy Karasin said on Thursday.

In Moscow's view, such a measure will have a pernicious effect on the state of that country's people, who are already experiencing serious difficulties and privations.

Proceeding from the position of principally irreconcilable attitude towards international terrorism, the Russian side is interested in implementing the U.N. Security Resolution 1044. He recalled that the document, approved as of January 31, 1996, contains demands from Sudan to extradite three persons, suspected of being involved in an attempt on the life of Egyptian president Husni Mubarak in Addis Ababa in June 1995. Discussions on the so-called Sudan issue have been at the moment renewed in the U.N. Security Council, Karasin said.

The Russian Foreign Ministry is taking necessary measures to help implement the U.N. resolution. Representatives of the Russian foreign policy department, in particular, held appropriate consultations in Egypt, Sudan and Ethiopia at the end of March and the beginning of April, which are continuation of maintaining contacts with all interested parties in this case.

Moscow, the high-ranking Russian diplomat indicated, considers it important to fully involve capabilities of the Organization of African Unity (OAU), and favours working out a mutually acceptable formula to resolve consequences of the assassination attempt on the life of the Egyptian president, which might not lead to Sudan's international isolation and aggravation of the already unstable situation in this sub-region of Africa.

Russia: Yeltsin Says Agreement on Black Sea Fleet To Be Reached

LD0404173896 Moscow INTERFAX in English 1539 GMT 4 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Russian President Boris Yeltsin told war veterans in the Kursk Battle Memorial Museum in Belgorod that the dispute with Ukraine over the Black Sea Fleet will be resolved eventually in the interests of the two countries.

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"We have not agreed about the bases of the fleet. Our rocket carrying ships are staying in Sevastopol's minor bays and Ukrainian coast guard ships are anchored nearby. These are exactly the bays the Ukrainians won't give us. But without these bays our Black Sea Fleet cannot function. They are an integral part of the fleet's infrastructure," he explained.

"I had several telephone talks with Ukrainian President Leonid Kuchma about this but he is intransigent. So I canceled by visit because I cannot sign a comprehensive treaty with Ukraine without a solution to the Black Sea Fleet issue. We will discuss this issue through diplomatic channels."

"Defense Minister Pavel Grachev told me that he and his Ukrainian counterpart have come to an understanding on the use of those bays but Ukraine is unwilling to document this."

"We will not get excited over this issues. We are neighbors, Slavs and must respect each other," Yeltsin said.

The president arrived in Belgorod, a regional center south of Moscow, Thursday. He said there that he has "several powerful programs for development of the southern parts of Russia and of the country's agriculture."

At a meeting in the Belgorod airport Yeltsin suggested to customs officers that a most favorable customs regime should be provided for Ukraine. The Belgorod region borders on Ukraine.

"Ukraine is a fraternal country which will start closer integration with us. I hope that we will cooperate with it the way we do with Belarus," he said.

Yeltsin told the residents of the region that he is visiting as both the head of state and a presidential candidate. "As the president I can tackle issues and as a candidate I can make promises," he emphasized.

As he had a talk with young people on a city square, students asked him for help in having a school of medicine set up in the city university. After a consultation with the regional leaders Yeltsin pledged his support for this.

Also Thursday, he laid flowers to the eternal fire and a monument to the war dead and visited the Kursk Battle diorama.

In responding to questions asked by war and army veterans Yeltsin said: "We want to protect the army from slanders disseminated occasionally by mass media. Some media advocate gangsters and describe servicemen as the guilty party. This is wicked. We will work with the press and respect it. Freedom of the press is the law. Freedom of the press will stay."

Yeltsin also said that he might sign "in a week" a decree on staged indexation of bank deposits. "The older one is, the sooner one will have one's money," he added.

The president visited the construction sites of one-family houses and a church and visited an ore-dressing plant.

Yeltsin attended a meeting of the inter-regional Chernozemye association meeting.

Russia: Moscow Adhering to International Accords on Arms Deals

LD0404221296 Moscow ITAR-TASS in English 1955 GMT 4 Apr 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, April 4 (Itar-Tass) — Russia is developing military and technical cooperation on the basis of mutual benefit and in strict conformance with international agreements, Colonel-General Valentin Bogdanchikov, first deputy of the General Staff of the Russian Armed Forces, said on Thursday.

In an interview with Itar-Tass, Colonel-General Bogdanchikov said that deliveries of Russian arms, training of military personnel and other aspects of military and technical cooperation are strictly kept within the framework of the Russian president's decree "On Military and Technical Cooperation between the Russian Federation and Foreign Countries."

Bogdanchikov regards as groundless assertions about the "special stance" taken by the Russian delegation in Vienna. The delegation takes part in the talks to set up a new organisation which will replace the former "Co-ordinating Committee of the East-West Trade Policy" (COCOM).

The military official said that Russia's approach reflects the protection of its national interests during shipments of new weaponry and sale of technology to countries, which wish to cooperate with Russia. Business contacts are maintained, taking into account the respect for the interests of other states and international agreements.

New clauses about military and technical cooperation expand capabilities of the military-industrial complex for shipments of modern weaponry to the world arms market, Bogdanchikov said.

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Political Issues

Russia: Yeltsin Kicks Off Election Campaign in 'Red-Belt'

MK0504104696 Moscow SEGODNYA in Russian 5 Apr 96 p 1

[Report by Tatyana Malkina: "President Yeltsin Tests the Mood in the Chernozem Region. Candidate Yeltsin: The Most Difficult Part Is in the Past"]

[FBIS Translated Text] Having arrived in Belgorod yesterday, the fledgling presidential candidate had every right to engage in agitation and propaganda. However, Boris Yeltsin, who made a jaunty joke as he was climbing down the gangway: "I did not quite understand, is this city white or Red?," chose a more cunning way: "Do not think that I have arrived for an election campaign," he told the people meeting him at the airport. "I am here in two capacities, as it were: as the incumbent president and as a presidential candidate. So, it is impossible to divide my work.... As president I can solve problems, which is important, but as a candidate I can make promises."

And, sure enough, he lived up to that statement: As president, Boris Yeltsin decided to present the Belgorod residents with three edicts: on the modernization of the gas supply system in the Central Chernozem region, on financial support for the Belgorod Oblast agro-industrial complex, and on the development of the oblast's mining and metallurgy sector. And his gift to all Russians will be an edict on the support for small and medium-sized businesses in the Russian Federation. As candidate, Boris Yeltsin explained to the potential voter that the crisis is over, advising women to bear more and more babies, and promising to compensate for all the depreciated individual bank deposits.

Although the program of the visit was very much in the traditional spirit — the laying of wreaths, visits to a kolkhoz [collective farm] and a city market, and a meeting with local enterprise directors — Boris Yeltsin placed the main emphasis on meeting with the extremely vociferous public. True to himself, the president gave his bodyguards a hard time: He walked in the puddles, often stopped to talk with local residents, and climbed out of his limousine at unscheduled moments.

Boris Yeltsin did not agitate directly, but his sympathetic-hypnotic style of communication with the citizens made verbal slogans unnecessary. Thus, if particularly pessimistic-minded individuals reached him, Boris Yeltsin told them convincingly and with feeling that the worse is past. In dealing with those exuding excessive optimism, Boris Yeltsin immediately objected sternly, pointing to outstanding problems. Occasionally the president complained, for instance, about the difficulties of fighting for wages: "To ensure this, I have to fight, fight, fight for it every day, at half past eight — see, I have forgotten all about democracy."

It is noteworthy that although many in the Yeltsin inner circle were really worried before his trip, because Belgorod, as is known, is a representative of the so-called "Red belt," the Belgorod residents received Boris Yeltsin as cordially as could be. True, it is not ruled out that thanks to the strong Communist tradition, a populist and confident Boris Yeltsin, the culprit in all problems and at the same time the dispenser of all benefits, best fits the norms of infantile behavior by the former builders of Communism.

An old lady activist who attacked Boris Yeltsin at the head of a small crowd of women, complained loudly and bitterly that the authorities are unfair toward the veterans. However, when Boris Yeltsin, about to deliver a mini-speech on the subject, said that he must criticize himself a little, the old lady stopped him and stated categorically: "Don't!" A young mother with a child of approximately two in her arms was pushing her way through the crowd and, when she finally reached the president, gave her child a shake: "Come on now and tell us who is our president?" "Grandpa Borya," the chubby boy babbled, stretching his small hands toward the president's tie, whereupon his mother passed on to the question of wages. A man of an uncertain age in a crumpled astrakhan fur hat accomplished a heroic breakthrough toward the president; he squeezed by the crowd, only to shout: "Boris! Keep on fighting!... Fighting for our life!"

Boris Yeltsin himself apparently liked the reception. Visibly inspired by his victory for the hearts of the "Red Belgorod residents," responding to the question of what he thought was the most important thing in his election campaign, the president, contrary to expectation, did not mention the "Chechen dumbbell" but said: "The most difficult thing is to tour all of Russia."

Today, suddenly in the middle popular affection, the president will visit a metallurgical plant and then will board his blue-and-gold helicopter to go to the village of Prokhorovka, where he plans to admire a memorial complex on the famous Prokhorovka [battle] field and then, at the end of his tour, he is to meet with the oblast leadership.

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Russia: First Day of Yeltsin's Election Campaign Detailed

LD0404213896 Moscow NTV in Russian 1800 GMT 4 Apr 96

[Video report from the "Segodnya" newscast]

[FBIS Translated Excerpt] Today is the first day in Boris Yeltsin's official preelection campaign. The president spent it in Belgorod Region. [passage omitted] Alim Yusupov has more details.

[begin recording] [Yusupov] Boris Yeltsin was the first state leader to come to Belgorod in 86 years. [passage omitted: Nicholas II also visited] The president proposed that his trip should not be regarded as a preelection one.

[Yeltsin, talking to military men in crowd] A president replies to questions. [words indistinct] But as a presidential candidate, I can make promises. [crowd laughs]

[Yusupov] [passage omitted] The presidential limousine had scarcely driven through the gates of Belgorod airport when Yeltsin made the first impromptu halt to talk to citizens.

[Yeltsin, to crowd] At it every day, digging heard with a shovel — that's the only way to get out of the situation, do you see? [words indistinct] Every day from 0830, all the time, just keep hammering away, hammering away, hammering away.

[Yusupov] Boris Yeltsin met the people an uneven number of times today. The talk was mainly about wages, the economy, social provision, living standards. The town market was the most suitable place for this. Its stalls today groaned under the weight of diverse goods. It was today that Yeltsin, who yesterday became an official candidate, perhaps for the first time asked voters directly for their support.

[Yeltsin] I am asking you to vote so that everything in Russia will be calm, to ensure that things will gradually get better, better, better.

[Unseen man] And not just vote, Boris Nikolayevich!

[Woman] What else?

[Yusupov] Toward evening, addressing a Black Soil association meeting in Staryy Oskol, Yeltsin, to the applause of those assembled, spoke of his three new decrees — on the gasification of the region, the development of the agrarian complex, and the mining industry — thereby touching upon all the main problems facing the region.

Then he essentially went over the entire plan of reforms announced by him in Yekaterinburg two months ago. The president stated that the process of integration is proceeding successfully. This was shown by the agreement with Belarus, Kazakhstan, and Kyrgyzstan. The state debt owed from the federal budget has been fully repaid. A social program is being worked out. The Chechen peace plan has been announced.

[Yeltsin, addressing meeting] What is supposed to be financed from the budget is being financed from it. Second, our armed troops...[pauses] armed forces are being withdrawn from there to the border with Chechnya, next to it, not far away — so that they stand here in the vicinity of it and are right there on the border — just in case.

[Yusupov] Tax reform was the next strong step announced by the president. Yeltsin said it would be radical and without precedent for Russia, and would change the entire procedure for forming sources of taxation and the procedure for making contributions.

Boris Yeltsin dissembled a bit when he said that his present trip was not a preelection one. Here in Belgorod Region, Yeltsin essentially summed up the results of the first stage of his campaign which was begun in Yekaterinburg, and outlined new directions. [end recording] [video shows Yeltsin at airport, market, addressing meeting]

Russia: Yeltsin Tells Belgorod News Conference Health 'Excellent'

LD0404194996 Moscow ITAR-TASS in English 1928 GMT 4 Apr 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] BELGOROD, April 4 (Itar-Tass) — Russia has embarked on a social and production investment programme, which is the third stage in its reform, President Boris Yeltsin said at a news conference here today.

He said his today's trip to the Belgorod region was "very busy and very interesting."

"Talks (with people) were very frank, the mood of people is not bad, although some of them have certain worries, first of all related to short income, this is understandable," Yeltsin said.

He praised the way of administration in the Belgorod region as "excellent."

As for his registration for the June presidential election, Yeltsin said his main hardship as a candidate is to trip around Russia.

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Citing his talks with people about his running in the elections, he said "they sort of promised to back me, and how it will be we shall live to see."

Yeltsin told the conference his health is excellent.

Russia: Yeltsin Addresses Belgorod Conference on Reform Policies

LD0404184596 Moscow ITAR-TASS in English 1824 GMT 4 Apr 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] BELGOROD, April 4 (Itar-Tass) — Russian President Boris Yeltsin, visiting the Belgorod region, on Thursday attended a conference of the Chernozemye Association for Economic Cooperation of the Central Black Earth Region of Russia.

The meeting was held at the Stoylenskiy ore concentration plant.

Yeltsin's address to the meeting encompassed a spectrum of subjects.

"The most difficult, the hardest period of reforms is already behind," Yeltsin said.

"Today one may say that foundations of Russia's market economy have been created, the financial stabilisation has been achieved, conditions for economic growth are being laid down," he said.

"Now we can handle closely the social policy. Improvement of the level and quality of life of the Russians — these questions have come into the foreground of reforms," Yeltsin added, stressing that social programmes adopted now are based on a normally approved budget. The programmes will be implemented in the setting of low inflation, he said.

Russia is in an unprecedented tax reform, Yeltsin said.

Laying out the tax reform ahead, the Russian leader said that "all forms of deductions for social needs will be pooled into a single social tax." This means a different procedure for tax collection and social payments, he said.

Yeltsin cited a string of other innovations, including a single tax on capital with revision of profit and income taxes; annual revision of major taxes at the time of budget adoption; a significant decrease in the general level of taxation. Other measures are a lower federal tax on profit of banks and insurance agencies working with private farmers, broader tax privileges for factories investing in production and lower profit taxes on small businesses and organisations of the disabled.

Yeltsin cited as the key social problem "the vicious practice, delayed payment of salaries to employees of the budget sphere and of pensions, benefits and other social payments."

The state and regional administrations have been systematically failing in their duty to citizens, Yeltsin said, adding that "many people have been knocked out (by this) from a normal pace of life."

His orders to clear the pay debt to budget-dependent sectors set end-March as the deadline, he said.

Yeltsin cited 45 criminal cases instituted on executive of joint-stock companies on charges of delaying the wage.

Over seven trillion roubles has been allocated to 80 regions in wage funds, Yeltsin said.

Speaking about the land reform, Yeltsin cited his decree on implementation of citizens' right to land. Under the decree, family plots have been provided since 1991 to 40 million Russians, he said.

The president also dwelled on the housing problem.

Major obstacles to private housing construction and improvement of living conditions are "very high prices for housing, low income," Yeltsin said. He promised specific programmes of the state to mend the situation.

He cited as a remedy his recent decree mandating the federal housing programme Private House. The programme aims to decrease the cost of one square metre of housing to a two-month per capita income figure.

"Although, we'll put it straight this sum is fairly great for an average Russian," he ceded.

Yeltsin said he had issued a decree a few days ago, mandating in gratis subsidies to be issued for housing construction and purchasing.

Yeltsin's way to the meeting lied through the Lebedinsky ore concentration plant in the city of Gubkin.

He said he was impressed with the plant's performance and its amenities, including a disco bar with an ample assortment of foods supplied by agro-business Lebed.

Yeltsin praised the plant work-team for learning market laws.

Later in the day Yeltsin attended the ceremony of laying first tiles on walls of the constructed Savior Transfiguration Cathedral of Belgorod.

The cathedral is to be second in size to Moscow's Cathedral of the Savior re-erected now.

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Russia: Yeltsin Announces Start of 'Unprecedented' Tax Reform

LD0404191796 Moscow INTERFAX in English 1728 GMT 4 Apr 96

[FBIS Transcribed Text] STARIY OSKOL (Belgorod region), April 4 (Interfax) — Russian President Boris Yeltsin has announced the beginning of a cardinal and unprecedented tax reform.

The draft tax code introduces a new classification of taxes and clearly divides taxes into federal, regional and local, he said at a Thursday conference of representatives of seven agricultural regions in Stariy Oskol, south Russia.

Yeltsin named the key directions of the tax reform:

1. All socially-related payments will be combined in one social tax and hence the entire system of government control over the social sphere will be altered.

2. A single tax on capital-related incomes will be introduced and in this context the profit and income tax rates will be revised, the president said.

3. A provision allowing changes in basic taxes not more often than once a year at the time when the federal budget is approved should give stability to the tax system, Yeltsin believes.

4. The total size of taxes should be reduced impressively.

5. The federal profit tax will be cut for banks and insurance companies working with farmers.

6. According to Yeltsin, additional tax breaks will be granted to companies investing in production.

Yeltsin also said small businesses and organizations of the handicapped will pay a smaller profit tax.

Russia: Yeltsin Favors Varying Forms of Agricultural Production

LD0404192596 Moscow INTERFAX in English 1728 GMT 4 Apr 96

[FBIS Transcribed Text] BELGOROD, April 4 (Interfax) — Russian President Boris Yeltsin has spoken for the coexistence of varying forms of agricultural production.

"Production efficiency is the main criterion," he said on Thursday at a meeting with farmers in Belgorod region, south Russia.

Almost one third of the country's food resources are imported, he said. The problem could be partly resolved, if farms had their own processing and storage facilities, marketing networks and direct delivery contracts, Yeltsin said.

"The growth of prices of fuel, fertilizers and fodder has reduced possibilities for supporting private farming," Yeltsin said.

According to him, agriculture is unprofitable in three quarters of Russian regions and the main cause is monopolism: over half of the country's farm produce is sold on a free market at high monopoly prices.

The president was alarmed by the absence of investments in the infrastructure of the food market. He said the technical standard of the food market remains low and so does the level of farmers' earnings.

Among the steps to be taken in the nearest future Yeltsin named the encouragement of market relations in farming, greater government support for the food market. He said the mechanism of purchasing domestic farm produce and financing domestic agriculture must be fundamentally changed. He assured his listeners that investments in agriculture will be stimulated by tax breaks and other benefits.

The president singled out the coming revision of import duties on food. "They must be linked with the profitability level of domestic production," he said.

Russia: Yeltsin 'Uncontrollable' During Belgorod Visit

MM0404180996 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5-12 Apr 96 Weekend Edition p 2

[Report by Aleksandr Gamov under the "Visit" rubric: "President Working in Two Capacities But Earning One Salary. Boris Yeltsin's Tour of Belgorod Oblast Began Yesterday"]

[FBIS Translated Text] "Do not think that I have come here as part of the election campaign," Boris Nikolayevich said before he had hardly stepped down from the aircraft. "I am here wearing two hats: One of the incumbent president, the other of a presidential contender — it is hard to divide my work. As a contender I can make promises. But as a president I can get things done, which is very important."

As soon as the president's car left the airport it encountered a crowd of citizens along the way. Boris Yeltsin got out of the car. Aleksandr Korzhakov later admitted to your KOMSOMOLSKAYA PRAVDA correspondent: "I said to him: 'Boris Nikolayevich, there are puddles here.' But he said: 'So what, you aren't going to splash me.'"

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"I am going to be self-critical now," the president began to say, speaking in his "populist" voice.

"There is no need," Tamara Stefanovna Zadirenko, a pensioner, said to him. "You are going to come in for criticism anyway."

But the president did not spare himself. "You have to go on and on about wages every day from 0830 in the morning. I have forgotten about democracy."

Generally speaking, Boris Nikolayevich was "uncontrollable" that day, heeding neither the protocol officers nor the bodyguard. As one of the bodyguards put it, he [Yeltsin] stopped at virtually every street corner. And wearing both hats he explained to everyone he met: "Are the plants standing idle? They will work again! You want to know about your bank deposits? We will reimburse you! The war in Chechnya? We will end it! It is all over now! The crisis is over and we are slowly beginning to recover."

Boris Nikolayevich shirked just one question. Someone told him: "You've got to be tougher on saboteurs!" The president replied evasively: "If I get tougher with everyone I will be the only one left."

The president was so engrossed in his conversations with the people that his team missed lunch. As he did too — he only managed to grab a quick bite to eat at the central market. He also visited the Belgorod villages of Mayskoye and Bessonovka that day. In the evening he took part in a session of the interregional association.

Russia: Yeltsin Signs Edict Supporting Small Businesses

LD0404191896 Moscow INTERFAX in English 1728 GMT 4 Apr 96

[FBIS Transcribed Text] STARIY OSKOL, April 4 (Interfax) — Russian President Boris Yeltsin signed a decree Thursday on urgent steps to support small business in Russia.

The Russian government is told to appropriate this year 500 billion rubles as credits to constituent parts of Russia, of which 200 billion to the Chernozem area, to be invested in fast profit projects for which businesses will bid.

Starting with 1996, state guarantees worth $200 million will be given to foreign financial institutions, which will provide credits to small Russian businesses.

The General Fund for Support of Small Businesses will have 150 billion rubles in 1996 for support of the fund and to enable it to grant credits to individuals.

Presidential press secretary Sergey Medvedev emphasized that the decree is essentially a program for development of small businesses in Russia.

Russia: Yeltsin Not To Carry Out Coup if Communists Win

MM0404130196 Moscow ROSSIYSKIYE VESTI in Russian 4 Apr 96 p 1

[Unattributed report: "Boris Yeltsin Answers ROSSIYSKIYE VESTI Readers' Questions"]

[FBIS Translated Text] "My communication with you (although it was not direct) has left a very good, bright impression and so, if possible, 'go out to the people' more often, particularly in outlying areas...." That was the wish expressed in her letter to Boris Yeltsin by N. Mineyeva from Yaroslavl. A good wish. But understandably the state's leader cannot keep up with his political rivals in terms of the number of election trips to Russia's cities and villages. Their main work today is the election campaign but Boris Yeltsin has state affairs which cannot be put off.

So ROSSIYSKIYE VESTI, geared to the moods and wishes of its readers, has decided to help them satisfy their need to communicate with the president, even if it is at a distance. Opening the rubric "Ask the President, Tell the President" (ROSSIYSKIYE VESTI 20 February 1996) the newspaper invited its readers to an election dialogue with Boris Yeltsin. There turned out to be many people who wanted to take part in it — about 1,500 people (the names of the president's long-distance interlocutors were published regularly in the newspaper).

Today Boris Yeltsin answers the questions most often repeated in the rubric's mail. The president's dialogue with his voters will be continued in ROSSIYSKIYE VESTI.

[Reader] "The mayor of the city of Perm is constantly issuing directives on raising apartment rent and prices for other municipal services. The latest increase was 1 March. Of course people are grumbling. Do you realize that all this local activity, when the election campaign is under way, turns primarily against yourself?" (N. Nefedova, Perm).

[Yeltsin] I do realize. But we deliberately steered a course toward the development of local self-management. In the future it is not for Moscow officials, not for presidential structures, to decide who personally will determine citizens' lives locally. Only they themselves must determine this. Incidentally, I see in this not only the thrust of democracy but

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also a guarantee of Russia's salvation from further revolutionary upheavals.

The main task of the head of state is to guarantee citizens' right to elect local authorities in accordance with the Constitution. And if the policy of a particular local leader runs counter to people's interests they can reelect him.

[Reader] "Do you think that our people's morality will rise as the socioeconomic situation improves? Or is that a separate avenue of the authorities' activity? If that is the case why does this aspect of life remain outside your attention? (Yu. Balakin, Tver).

[Yeltsin] I do not agree that this aspect of life is outside my attention. Nor can I agree that the people's morality should be formed from above, by the power structures. We know too well the cost to Russia of the experiment involving the enforced formation of the new man, when churches and cathedrals were destroyed, age-old traditions were eradicated, and the people's historical memories were warped, when everything serving the cause of building communism was considered moral. That social engineering led to such enormous moral losses!

The people's morality is created by the environment in which they live. Under present conditions that means primarily the freedom for the individual, the individual's political and economic independence from the authorities, freedom of belief, freedom of choice, an awareness of one's own responsibility for one's own future and the future of one's children. Our activity should be aimed at forming this living environment for man or, to speak the language of political science, a civil society. I am sure that its creation will do more than anything to promote the enhancement of our people's morality.

[Reader] "Do you know that it is the rayon administrations which cause the greatest dissatisfaction and that it is because of them that many people are voting against you?" (S. Ryabov, Voronezh Oblast).

[Yeltsin] I have already answered a similar question. We must all become accustomed to the fact that henceforth not everything depends on Moscow. That locally the first claims and primarily for socioeconomic problems should be leveled at the local authorities elected by the people themselves.

That these authorities do not always meet their function everywhere I know very well. But I as not the one who elected those authorities. And only the local voters should alter those authorities. My task is to ensure the protection of your rights through the laws if they are violated by local bosses.

[Reader] "Boris Nikolayevich, in your opinion how would any French person respond to the question: Do you need Algeria? The Algeria to which de Gaulle gave sovereignty only in 1963. So perhaps you should 'let go' of Chechnya? After all, Russia's age-old grief lies in its colonies." (M. Abaykin, Cherkessk).

[Yeltsin] I do not see any direct analogies between Algeria and Chechnya. The Chechen Republic is not a foreign territory and is in no way a Russian colony. It is a full component of the Russian Federation. The Chechen people have existed for over 100 years in inextricable connection with the Russian people and other peoples of Russia.

Nor should we delude ourselves over another point. People have said many times that Dudayev's terrorists are merely donning the clothing of fighters for national liberation. In reality Dudayev's supporters can, rather, be compared with well-known criminal formations like the Medellin cartel in Colombia and the "Golden Triangle" in Southeast Asia. It is above all the Chechen people who have suffered and continue to suffer from Dudayev's regime.

[Reader] "Sevastopol, as we know, is a city of Russian glory. Why has it been handed over so easily and simply to what is now a foreign state?" (Sobolev, Moscow).

[Yeltsin] The fact that Sevastopol is a city of Russian glory cannot be disputed. But it was not handed over with all Crimea right now. It happened 40 years ago in connection with the CPSU Central Committee Politburo decision enshrined in the resolution of the then USSR Supreme Soviet.

From the viewpoint of international law, and it is on international law that mutual relations between present-day Russia and Ukraine should be built, all legal problems of this kind (borders, debts, and so forth) should be resolved only on a treaty basis. That is what is happening in everything connected with the problem of Sevastopol and the Russian Black Sea Fleet. It is not happening easily but there is no sensible path other than the treaty path.

[Reader] "Will you carry out a coup d'etat if the Communists win the elections?" (V. Lizunov, Sverdlovsk Oblast).

[Yeltsin] An interesting question, as they say. There is hardly a political leader in the world who would give a positive answer to that question and say yes. I shall prepare a coup d'etat.

But if we are being serious then it was in no way for that that we began the democratic transformations. It is very important that by the forthcoming presidential elections

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we are laying down a tradition of nationwide elections of the state's top official. And that is why our opponents are insisting so much on abolishing the post of president. Of course, they would prefer not nationwide presidential elections but the appointment of a leader [vozhd] by a narrow circle of people secretly from the people.

I am a firm supporter of elections and not only the forthcoming ones in June 1996 but also the next ones, every four years. That should be the norm and I am sure it will be. The forthcoming elections are particularly important. We cannot allow them to take care of themselves, we cannot allow short-term emotions to prevail. After all, in June we shall without exaggeration be electing Russia's future.

The Communist opposition's recent actions in the Duma have shown that they have learned little. What can we expect from them if they come to power? Nothing good, I am sure. After all, many of those now seeking power have already led the country, five years ago. They have already shown themselves and demonstrated what they are capable of. I observe their actions now and I conclude that they have not changed at all — the same words, the same methods. And they will lead to the same "successes" in inverted commas.

I am sure that the Russians will have enough intelligence and memory to make the correct choice despite all the difficulties.

[Reader] "What is the meaning of V.S. Chernomyrdin's words 'We do not have the right to lose these elections!' After all, that is the Communists' credo." (Also from V. Lizunov).

[Yeltsin] I think that above all this is the credo of all political forces taking part in the elections. Without the intention of winning it is not worth even joining the election struggle.

Where Viktor Stepanovich is absolutely right is in the impermissibility of a communist revenge. The accession to power of the Communist Party of the Russian Federation will mean a national and state catastrophe for Russia. A thoughtful analysis of that party's program and its leaders' statements force one to draw that conclusion.

Russia: Ryzhkov Offended by Yeltsin Criticism of Legislators

LD0504110396 Moscow INTERFAX in English 0938 GMT 5 Apr 96

[FBIS Transcribed Text] MOSCOW, April 5 (Interfax) — Russian Duma deputy Nikolay Ryzhkov said President Boris Yeltsin's comments Thursday in Belgorod concerning certain legislators were "rude, bordering on threats," and refused an increase in pension due him as a former USSR civil servant by Yeltsin's order of April 1. Yeltsin said yesterday that Ryzhkov and two other leaders of the August 1991 putsch attempt should "be sitting in the Mattrosskoy Tishina" prison, "not the Duma."

The former prime minister and leader of the Popular Rule deputy group "refuses to accept this increase from the hands of the president" until Yeltsin apologizes to Ryzhkov and fellow deputies Anatoliy Lukyanov and Valentin Varennikov for his comments, Ryzhkov said in a statement released Friday.

Yeltsin, Ryzhkov said, "took upon himself the functions of the prosecution and of the judge."

"Apparently, I'm going to be put in prison for once being the head of a great government — the USSR," Ryzhkov said, "and for the fact that I do not hide my opposition to the political and economic reforms being carried out in this country."

Ryzhkov said he hoped the Duma would properly judge "this attack by the government's highest official."

Russia: Zyuganov: Yeltsin Must Apologize for Slur Against Lawmakers

LD0504110196 Moscow INTERFAX in English 0938 GMT 5 Apr 96

[FBIS Transcribed Text] MOSCOW, Apr 5 (Interfax) — Russia's left-wing forces will soon issue a statement on the "unprecedented slur" made by President Yeltsin against three lawmakers, Anatoliy Lukyanov, Valentin Varennikov (both of the Russian Communist Party) and Nikolay Ryzhkov (Popular Rule leader), Communist leader Gennadiy Zyuganov told Interfax.

According to Zyuganov, Yeltsin "showed profound knowledge of his own brainchild, the Russian Constitution, by telling people in the city of Belgorod Thursday that three respected State Duma members, Ryzhkov, Lukyanov and Varennikov, ought to be doing time in jail."

Apparently, Zyuganov went on to say, the president does not know that Ryzhkov won his Duma mandate in the Belgorod Region and that 65 percent of the Belgorod voters supported Ryzhkov in the Duma elections.

In Zyuganov's view, Yeltsin will have to bring apologies to the people's representatives in the national legislature and realize people are sent to jail by courts of justice.

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Russia: Commission Queries Signatures Submitted by Yeltsin

MM0504122296 Moscow KOMSOMOLSKAYA PRAVDA Weekend Edition in Russian 5-12 Apr 96 p 3

[Report by Dmitriy Babich under the "Elections" rubric: "Yeltsin Registered Despite Offering Shoddy Goods"]

[FBIS Translated Text] There was no room to move in the packed Central Electoral Commission hall on Wednesday [3 April]: Yeltsin, Soskovets, Shumeyko, Rybkin, Filatov, and Ilyushin were there — in short, all the members of the president's team involved in Yeltsin's election campaign. They were there for an important reason: Yeltsin had come to receive his presidential candidate's registration in his capacity as a "simple engineer" earning 27 million a year (according to his tax declaration).

The event did not pass without some embarrassment: Of the 1,400,000 signatures submitted in Yeltsin's support the Central Electoral Commission queried 43,563. But because the number needed for registration is 1 million, Yeltsin was registered nonetheless. The question arises, however: If some of the signatures collected for the president, who has an enormous staff working for him, are past their "sell-by date," what does this suggest about the other candidates?

The legal examination of the case brought by the billionaire Vladimir Brynstalov against the Central Electoral Commission is due to begin in the Russian Federation Supreme Court today — almost one-third of Brynstalov's signatures were rejected. The billionaire, it seems, is hoping to follow Yavlinskiy's path in the Duma elections.

Russia: Over 3 Million Signatures Collected for Yavlinskiy

LD0504104096 Moscow INTERFAX in English 0938 GMT 5 Apr 96

[FBIS Transcribed Text] MOSCOW, April 5 (Interfax) — Some 3,300,000 signatures have been collected in 68 Russian regions in support of presidential candidate and Yabloko party leader Grigoriy Yavlinskiy. The signatures were submitted to the Russian Central Electoral Commission on Friday.

Yabloko commissioners who nominated Yavlinskiy as a presidential candidate submitted to the commission a statement on Yavlinskiy's agreement to run for president and a declaration on his income in 1994-1995.

They said Yavlinskiy was most actively supported in Moscow, the Nizhniy Novgorod region and Tatarstan.

Russia: Zyuganov, Others View Election Postponement Rumor

MM0504101296 Moscow PRAVDA Weekend Edition in Russian 5-12 Apr 96 p 1

[Roundup by Olga Koroleva of statements by CPRF Leader Zyuganov, Yabloko Leader Yavlinskiy, and State Duma Geopolitical Issues Committee Chairman Mitrofanov: "As Always on the Eve of Elections Russians Ask Themselves the Eternal Question: To Be or Not To Be?"]

[FBIS Translated Text] Recently there has been increasingly frequent talk about the postponement of the presidential elections. More and more "facts" are emerging to confirm these fears. And even though Prime Minister Viktor Chernomyrdin has stated that the elections will be held on time, many politicians do not rule out trickery.

This roundup of opinions, prepared by our parliamentary correspondent Olga Koroleva, sets out the positions of the representatives of various political forces on this question.

Gennadiy Zyuganov, leader of the CPRF

There have already been warning signals about an attempt to cancel the elections. If this happens it will be the beginning of legal anarchy. This must not be allowed.

The union of Russia and Belarus cannot provide the legal grounds for the postponement of the elections. It is good that just two weeks after the State Duma's decision on the Belovezhskaya Pushcha agreement Boris Nikolayevich signed major documents on the deepening of integration. Let us hope that this provokes no further fuss or demarches....

We will not simply support all actions connected with integration but will also create the legal basis for them. I believe that parliament will very soon ratify the documents signed with the CIS republics. I hope that other republics will also move toward rapprochement and that Belarus will set an example for all the remaining states which were formed on the territory of the Soviet Union.

Grigoriy Yavlinskiy, leader of the Yabloko faction:

It is a great shame that Russia is again being shamelessly hoodwinked: There have been no serious decisions in the sphere of integration, nor are there any serious plans. This is an illusion, this is pure electioneering....

The efforts of the president as the man responsible for what happened to the country in 1991 must be

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focused primarily on the creation and strengthening of an economic union within the CIS framework. The treaty on the economic union was signed five years ago by 10 former USSR republics but the idea was not implemented....

Once again — for the third time (the previous occasions were 1917 and 1991) — the foundations of the Russian state system are being shaken during the presidential campaign in order to reap some bizarre dividends. If Yeltsin's election campaign continues to rely on promises that are either hard or impossible to keep, on 16 June the country will suffer tremendous damage and be in an even more parlous state....

As for postponing the elections anything is possible in a country like Russia....

Aleksey Mitrofanov, chairman of the State Duma Committee for Geopolitical Issues:

The treaty between Russia and Belarus is hardly going to cause the postponement of the presidential elections. The activation of integration processes does not involve any radical steps. This is not a question of the merging of two states but the creation of common legal organs. But if some Belarusian oblasts were to join Russia that would probably be a significant change.

Abroad, by all accounts, there is a fear of a rapprochement of the former Soviet republics. As soon as Russia's relations with Belarus showed signs of warming up, many "well-wishers" immediately became anxious. Only the naive will believe that these protest demonstrations in Minsk were spontaneous. I have been involved in party work for six years and I know very well how such actions are organized. All it takes is money. For the right amount you could bring tens of thousands of "supporters" or "opponents" of a given decision together in [Moscow's] Luzhniki stadium every week. You get the impression that someone stands to gain from this incitement, this inflaming of hostility. I think that the people who are doing this in Moscow are by no means amateurs....

Russia: Proposed Legislation on Martial Law Approved

LD0404164796 Moscow INTERFAX in English 1226 GMT 4 Apr 96

[FBIS Transcribed Text] MOSCOW, April 14 (Interfax) — The Russian government meeting on Thursday gave the go-ahead to proposed legislation on martial law.

The paper determines what martial law and wartime are, why and how martial law should be imposed or lifted and how it should function said Chief of the Armed Forces' General Staff Mikhail Kolesnikov while introducing the bill.

The bill also determines the make up of contingents responsible for maintaining martial law as well as the procedure of enforcing wartime legislation and the functions of government in wartime conditions.

Kolesnikov said those who drafted the bill used the experience gained in imposing martial law on the part of Russia during the Civil War and in the USSR during the Second World War.

The main points of Russian legislation on defense, security and the state of emergency were also taken into account, he said.

Under the bill, martial law is defined as a specific legal regime in the life of the state and society which provides for vesting the wartime government with powers to implement functions helping officials and citizens to fulfill their duty in enforcing martial law.

For this to happen, human and civil rights can be curtailed for a specified period of time, says the bill.

The State Defense Committee, the supreme government body in wartime, and the General Headquarters of the Chief Command are among bodies to be set up in wartime.

The General Headquarters runs the country's armed forces, plans and carries out military campaigns and strategic operations, and manages the armed forces' strategic units.

Regional defense committees are also to be established.

No general elections or referendums are to be held while martial law is in force either in the country as a whole or in parts of it.

The bill provides for regulation of the military administration's authority in wartime and Russia's compliance with its international obligations during military conflicts.

Russia: Head of Russian-PRC Border Demarcation Commission Resigns

LD0504065596 Moscow ITAR-TASS in English 0646 GMT 5 Apr 96

[By Yevgeniya Lents]

[FBIS Transcribed Text] VLADIVOSTOK, April 5 (Itar-Tass) — Major-General Valeriy Rozov, Head of the Commission for the Demarcation of the Russo-Chinese border, who represented on it the Maritime Territory of the Russian Far East, announced his resignation here today. He told representatives of the Territorial

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Administration and journalists that he was categorically opposed to the transfer of several Russian border areas to China.

Valeriy Rozov believes that this transfer "to a neighbouring rival power of several strategically important Russian areas on the eastern stretch of the Russo-Chinese border" harms the national interests of Russia. The transfer is envisaged by an earlier concluded agreement.

"I possess all the papers necessary to prove Russia's indisputable right to the lands near the Tumannaya River, which China is eager to obtain," he stated.

Russia: IL-76 Cargo Plane Disappears on Approach to Kamchatka

LD0504071796 Moscow ITAR-TASS in English 0617 GMT 5 Apr 96

[FBIS Transcribed Text] MOSCOW, April 5 (Itar-Tass) — An IL-76 cargo plane of the Krasnoyarsk Airlines company, which was on a flight from Novosibirsk to Petropavlovsk-Kamchatskiy, at 06:00 Moscow time (02:00 GMT) on Friday disappeared from radar screens and failed to make a radio contact when it was due to approach landing at Yelizovo airport, a spokesman at the Press Service of the Russian Ministry for Emergency Situations, has told Itar-Tass.

Air Defence duty operators have confirmed the plane's disappearence from radar screens at a distance of 40 kilometres from the airport.

Yelizovo is situated 30 km from Petropavlovsk-Kamchatskiy.

According to preliminary data available with the Ministry, there were five members of the crew and five passengers on board the plane. The Il-76, Board Number 752, was carrying 50 tonnes of food.

A Company spokesman has told Itar-Tass in Krasnoyarsk that the plane was carrying a cargo of meat. The Company has already set up a centre for search operations.

A search for the disappeared plane is now being conducted by the Ministry's Operational Group of the Far Eastern Regional Centre. The operation involves Ka-27 and Mi-8 helicopters while an An-12 plane is on a stand-by alert.

Military Issues

Russia: Pacific Fleet Commander Promoted to Admiral

LD0404163196 Moscow ITAR-TASS in English 1315 GMT 4 Apr 96

[By Yevgenia Lentz]

[FBIS Transcribed Text] VLADIVOSTOK, April 4 (Itar-Tass) — Vice-Admiral Vladimir Kuroyedov, the new commander of the Pacific fleet of the Russian navy, has been promoted to the rank of Admiral. The decree to this effect was signed by Russian President Boris Yeltsin on April 1, 1996, Itar-Tass learnt from the staff of the navy on Thursday.

The new commander of the Pacific fleet Vladimir Kuroyedov was presented to the Military Council of the Pacific fleet in a ceremony on March 6 in Vladivostok. Three weeks after assuming the post, Kuroyedov announced the launching of large-scale command-post exercises involving large composition of various forces, including nuclear submarines, ships of various classes, marine aviation, coast-guard troops, staffs and governing bodies of the fleet. It is the first time that command-post exercises will be held stage-by-stage, gradually mounting. They will last for at least three weeks.

Admiral Kuroyedov continues inspecting preparedness of forces, ships and naval units in the places of their deployment. According to the information of the press centre of the Pacific fleet, the commander accompanied by a group of admirals and officers of the staff of the fleet is completing on Thursday the tour of the south of the Maritime territory ad will visit Kamchatka on Friday.

Russia: Kokoshin Speaks at Hearings on Social Legislation for Soldiers

MM0404135596 Moscow KRASNAYA ZVEZDA in Russian 4 Apr 96 p 1

["Own Information" report: "Prospects for Military Legislation"]

[FBIS Translated Text] On 2 April Russian First Deputy Defense Minister Andrey Kokoshin spoke at State Duma hearings on questions of social protection for servicemen and citizens discharged from military service. He noted the need for a systematic approach to law-making and closer cooperation between all branches of power on these matters and the need to increase expenditure on boosting social protection for servicemen and implementing in full laws and other normative acts that have already been adopted.

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As of 1 April 1996 a total of 19 federal laws and three decrees had been adopted by the Russian Federation's supreme legislative bodies, plus 13 Russian Federation presidential edicts, 74 Russian Government decrees, and a large number of normative-legal documents adopted by ministries and departments. They have introduced over three dozen new concessions, compensatory payments, and guarantees for servicemen, citizens discharged from military service, and their families.

But it is obvious today, Andrey Kokoshin noted, that the Defense Ministry cannot ensure the full implementation of the adopted normative-legal acts without comprehensive state support. An intolerable situation is developing with regard to a number of concessions, necessitating the adoption of urgent measures by the Russian Federation Government. The Defense Ministry leadership is constantly raising these questions with the supreme state leadership and the Finance Ministry.

Paying wages and allowances to servicemen pay and wages to Armed Forces civilian personnel remains one of the most acute problems today. Under the schedule approved by the president and the government the state is to clear these arrears, according to the Finance Ministry, within the next few days.

The draft federal law "On Changes and Addenda to the Russian Federation Law 'On Servicemen's Status'" is to be one of the most important elements in the legal backup for servicemen's social protection today. The draft law was formulated by the Defense Ministry and representatives of 23 ministries and other departments.

The draft law's proposed new approaches to resolving the most acute problems of social protection for servicemen in the current conditions should be highlighted. They include the creation and enshrining in law of a unified system of material support — including servicemen's pay and allowances — for all power structures, and, as far as housing provision is concerned, new procedures governing the funding of housing construction for citizens discharged from military service in their chosen place of permanent residence with more definite guarantees and a tougher system of accountability for the corresponding government bodies on this score, plus more socially just insurance provision for servicemen, primarily draftees.

Federal Assembly

Russia: Duma Demands Yeltsin Examine Returned Laws

MM0404131796 Moscow ROSSIYSKAYA GAZETA in Russian 3 Apr 96 p 6

[State Duma Decree No. 172-II "On Certain Federal Laws Returned by the President of the Russian Federation Without Examination," signed by G.N. Seleznev, chairman of the Russian Federation State Duma, in Moscow on 20 March 1996]

[FBIS Translated Text] In view of the fact that the Russian Federation president, contrary to the requirements of Article 107 of the Russian Federation Constitution, has returned without examination several federal laws passed by the State Duma and approved by the Federation Council, the Federal Assembly State Duma decrees that:

1. There must be strict compliance with Article 107 of the Russian Federation Constitution, which lays down that the president of the Russian Federation shall sign and promulgate a federal law or reject it. There is no provision in the Russian Federation Constitution for the Russian Federation president to return federal laws without examination.

2. The Russian Federation president must examine the following laws in accordance with the procedure established by the Russian Federation Constitution: "On Making Changes and Additions to the Federal Law 'On Veterans'"; "On the Set of Federal Textbooks for General Educational Establishments"; "On Granting to Heroes of Socialist Labor Certain Social Guarantees Envisaged by the Russian Federation Law 'On the Status of Heroes of the Russian Federation and Full Holders of the Order of Glory'"; "On Secret Inventions"; and "On Halting the One-Sided Reduction of the Black Sea Fleet and on Funding Its Upkeep."

3. The federal laws listed in Paragraph 2 of this decree be sent to the president of the Russian Federation.

[Signed] G.N. Seleznev, chairman of the Russian Federation Federal Assembly State Duma

[dated Moscow, 20 March 1996

Russia: Democratic Choice Party Wants Union With Belarus Postponed

LD0504104496 Moscow INTERFAX in English 0938 GMT 5 Apr 96

[FBIS Transcribed Text] MOSCOW, April 5 (INTERFAX) — The Russian State Duma should postpone ratification of the agreement on a Russian-Belarusian Community until such time as Belarus has proper conditions for observation of human and civil rights in accordance with international law, says a statement of Duma deputies from the Democratic Choice of Russia party circulated Friday and signed by deputy party chairman Sergey Yushenkov.

"The negative reaction of many Belarusian residents to the agreement underscores the hasty and insufficient

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preparations for the union of our two states," reads the statement.

The deputies are most concerned with "the inadequate reaction" of Belarusian President Alyaksandr Lukashenka to actions of the opposition. They said "his threats in address of opposition leaders and limits on the freedom of speech, rallies and marches are absolutely inadmissible in a democracy."

"A union with a state leader who has openly confessed his sympathy with the author of Mein Kampf and reaffirmed his hatred of democratic values, cannot do good to the peoples of Belarus and Russia," says the document.

Russia: Leader of NDR Duma Faction Interviewed

MM0404144496 Moscow ROSSIYSKAYA GAZETA in Russian 30 Mar 96

[Interview with Sergey Belyayev, leader of the "Russia Is Our Home" faction, by Aleksey Morgun; date, place not given: "Red Square Can Be Seen From Duma Window" from the 30 Mar-5 Apr "Home and Homeland" section p 3]

[FBIS Translated Text] Who wants great upheavals in the State Duma? This question and others are answered by Sergey Belyayev, leader of the "Russia Is Our Home [NDR]" faction.

[Morgun] Sergey Georgiyevich, what would you put on the calling card of the NDR deputies' faction in the State Duma?

[Belyayev] People have already contrived to dub us the presidential faction.... Of which, incidentally, I and my colleagues are even proud. Because being the presidential faction in the State Duma means making it the number one priority to pass laws which can advance Russia along the path of reforms and being professionals. And in no way flirting with the forces which are prepared to take Russia back to the procrustean bed of communist dogmas.

Another fundamental difference between us and other factions is that they have already turned the Duma hall of sessions into a kind of election battleground. In the heat of this struggle they are time and again prepared, for the sake of immediate tactical interests, to rearrange their ranks and unite for a day only to split up by evening.... So-called "big-time politics," in which there is no room for just one thing — concern for the interests of Russia and its voters — is in vogue.

[Morgun] Are you alluding to the well-known cases where first "Yabloko" then the LDPR [Liberal Democratic Party of Russia] voted in solidarity with the Communists?

[Belyayev] Yes, and I believe that in all these episodes there was just one winner — the CPRF [Communist Party of the Russian Federation]. Generally the parties and movements flirting with Zyuganov for purely tactical reasons remind me of gullible lambs. They are invited to a house for a big feast. But when they arrive they find out that it is crowded with guests and the wine is flowing freely. The only thing lacking is shashlik....

[Morgun] Everybody is talking about the Duma decree effectively denouncing the Belovezhskaya agreements.

[Belyayev] From the Duma platform I have already called this document legally worthless, which provoked an allergic reaction from the Communist majority in the hall. I can say no different now. The action conceived and implemented by the CPRF is no surprise but is part of a pattern stemming primarily from the fact that the Duma platform is being used increasingly intensively by the "left wing" as the main tool in the ongoing presidential election marathon.

[Morgun] But the well-known lawyer Lukyanov does not agree with you. On television he was talking as though the Duma decree has legal force....

[Belyayev] Yes, I heard those statements. This can be attributed to the fact that Lukyanov has a rare specialty for a man in his profession: party lawyer. Generally I will note an amusing and remarkable fact: Those who supported the denunciation of the Belovezhskaya agreements included the lawyer Lukyanov and lawyer's son Vladimir Zhirinovskiy. Maybe the CPRF and LDPR are some mind of family firm?

[Morgun] After literally the entire CIS started coming apart at the seams following the publication of the famous State Duma decree, Gennadiy Seleznev, speaker of the lower chamber, delivered a statement in which he gave his interpretation of the adopted document on behalf of the deputies. Did your faction authorize the State Duma chairman to deliver that statement?

[Belyayev] No, it was done on the chairman's own initiative. Which was more than inappropriate. In a statement in response our faction noted that Seleznev indulged in harsh political assessments and conclusions going far beyond the framework of the State Duma chairman's remit and powers. And it warned that, should such a practice be repeated, it reserves the right to initiate the formulation of a question as to Seleznev's fitness for his post.

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[Morgun] But, unless my memory deceives me, was it not the "Yabloko" faction that immediately put forward this initiative?...

[Belyayev] In turn I will remind you of the background. The NDR faction warned the deputies of the possibility that events would develop in precisely this way and that the speaker from the CPRF would behave in this way two months ago, when the question of the State Duma chairman's election was on the agenda, and insisted that the lower chamber should be headed by an independent deputy.

We were right: The speaker's actions increasingly underline his party affiliation and are facilitating the Russian parliament's involvement in the presidential election campaign rather than legislative work.

As regards the speaker's election two months ago, it was "Yabloko's" position that helped a CPRF representative to head the lower chamber.

[Morgun] In that case what gave many experts grounds to state that "Yabloko" has turned rather Red?

[Belyayev] I would not rush into such conclusions. I think that it was simply a mistaken tactical move. "Yabloko" knows as well as we do that it had better not turn Red: As soon as it does it will perish and the maggots will appear.

[Morgun] Nevertheless, both the CPRF and the speaker feel more than confident in the State Duma. Many members of the Communist faction even go around wearing badges with the RSFSR logo....

[Belyayev] We too have noticed this. And we have spoken out in tough terms on this subject. Had the speaker of the chamber not been a politician committed to the opposition he would have curtailed actions of this kind immediately. In this case this did not happen for understandable reasons.

[Morgun] It is clear from what you have said that the situation in the State Duma is fairly complex. Still, whom do you regard as your potential allies?

[Belyayev] The "Russia's Regions" deputies' group: Practice has shown that we vote the same way on fundamental questions. Many independent deputies. Deputies from "Russia's Democratic Choice" who have gotten in from single-seat districts. And, of course, "Yabloko" in those cases where it remembers the genes of democracy it was endowed with at birth.

[Morgun] It is known that the factions which have entered the State Duma except the NDR are headed by the corresponding party leaders. Whereas NDR leader Viktor Chernomyrdin is not the chairman of the NDR faction. What kind of relationship do you have with Viktor Stepanovich?

[Belyayev] Unlike all other movements and parties the NDR is headed by the leader of the Russian Government. To combine work in the government with work in the State Duma is something from the realms of fantasy.... Both require 25 hours a day. Whichever way you cut it, that is one hour too many.

At the same time I want to stress that Viktor Stepanovich devotes much time and attention to both the movement and our faction. We meet regularly, telephone each other, and jointly work out tactics regarding the faction's line on various fundamental questions in the State Duma.

Just one example. Do you recall that the Russian president instructed the premier to head the commission which had to find a solution to the conflict in the Chechen Republic? It was no accident that Vladimir Zorin, our deputy and chairman of the Duma Nationalities Committee, was a member of this commission.

It was probably no accident that practically immediately a large group of deputies from the NDR made an 11-day trip to the Chechen Republic and the republics and oblasts bordering it. I can say that our proposals on settling the war in Chechnya were sent to the government commission. This just one of many examples. I think that it speaks volumes about the mutual relations which have developed between the movement's leader and the faction.

Russia: Auditor Criticizes Privatization Implementation

LD0404222496 Moscow Russian Television Network in Russian 1950 GMT 4 Apr 96

[FBIS Translated Text] The results of privatization were discussed at the State Duma today:

[begin recording] [V. Sokolov, auditor of the Audit Chamber] During the audit, we discovered quite a lot of contraventions of the law.

[Correspondent A. Pishchayev] According to the Audit Chamber's report, the State Committee for the Management of State Property, Russia's Federal Property Fund, and the Federal Department for Bankruptcy failed to accomplish — in full, of course — a strategically important state objective, privatization, and a total lack of control allowed this to happen. According to Auditor Venyamin Sokolov, the time has come to put a stop to mass privatization. A state commission must be set up to find out who owns what in our country.

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[Sokolov] That does not mean that we have to start some kind of mass political process in reverse, a process of nationalization, a process in the opposite direction, so to speak.

[Pishchayev] Strange as it may seem, the word nationalization kept coming up at this news conference at the Duma today. For example, Auditor Sokolov proposed that some forgotten words and concepts, whose meaning is similar, should be clarified in legislation:

[Sokolov] Nationalization, reprivatization, deprivatization, and confiscation are not actions which you will find mentioned in our laws at the moment.

[Pishchayev] The Audit Chamber also acknowledged that last year's shares-for-loans auctions were invalid under the law. In other words, the list of enterprises whose shares were mortgaged should have been approved not by the first deputy chairman of the State Committee for the Management of State Property, but by the cabinet. As a result, by a court ruling, the money which banks advanced in return for the state's shares can be confiscated in favor of the federal budget.

Incidentally, some personalities were also mentioned today. The office of the prosecutor general has been sent papers relating to Alfred Kokh, deputy chairman of the State Committee for the Management of State Property; and Petr Mostovoy, head of the Federal Department for Bankruptcy.

Aleksandr Kazakov, chairman of the State Committee for the Management of State Property [and deputy prime minister], who attended the news conference, agreed with the criticism and stressed that the conclusions of the Audit Chamber are an invaluable document, which set out all the imperfections of his department. [end recording] [video shows Sokolov, Kazakov, and Aleksandr Pochinok, head of the Duma's tax subcommittee]

Russia: U.S. Administration Seen as Guarantor of Duma's Survival

MK0504083696 Moscow OBSHCHAYA GAZETA in Russian
No. 13, 4-10 Apr 96 (signed to press 3 Apr 1996) p 8

[Report by Yuriy Ivanov: "From Here We Shall Be Able To Threaten Clinton"]

[FBIS Translated Text] The State Duma's opposition has invented anti-coup medicine and no longer fears that the parliament may be dissolved.

Your OBSHCHAYA GAZETA observer has learned from sources close to the leadership of the Communist Party that an analytical group of the State Duma's Communist faction has concluded that the current executive authority has no resources at its disposal to resort to the use of force. Furthermore, its most paradoxical argument is that it is U.S. President Bill Clinton who would prevent the Duma from being disbanded. The thing is that his election is also just around the corner and he has to report to the American electorate his successes and achievements, including those in the foreign policy area. So Clinton badly needs to have the Treaty between Russia and the United States on the Limitation of Strategic Offensive Weapons [as published], known as START II, ratified by the State Duma by November of this year. If something happens to the Duma (if it is dissolved by presidential edict, for instance) there will simply be no one to ratify the treaty. Therefore, domestic showdowns between the Russian branches of power could be elevated to an international level.

For this very reason factions, deputy groups, committees, and subcommittees are painstakingly studying START II, but are not rushing to ratify it. In the experts' view, the Duma's communists and their allies will drag their feet on ratification until July. Let Clinton have the jitters....

Regional Affairs

Russia: Tatarstan President Interviewed Prior to Inauguration

LD0404134696 Moscow NTV in Russian
1535 GMT 3 Apr 96

[Interview with Tatarstan President Mintimer Shaymiyev by program announcer Yevgeniy Kiselev, in the presidential palace in Kazan on 2 April — recorded; from the "Hero of the Day" program]

[FBIS Translated Excerpt] [Kiselev] Good evening! We filmed this episode of our program in Kazan today where the official ceremony inaugurating the President of Tatarstan [Mintimer Shaymiyev] took place. [passage omitted] Mintimer Shaymiyev gave this interview to our program in his residence in the Kazan Kremlin a few hours before that ceremony. [video shows Kiselev speaking to camera, cuts to show Shaymiyev seated in his office and facing Kiselev]

[Kiselev] Mintimer Sharipovich, on the eve of the elections you stated that you support President [Boris] Yeltsin in the Russian presidential elections in June — but without the war in Chechnya. Now that Yeltsin has announced his peace plan for a Chechen settlement has this obstacle been removed? Will you support the president in June? Are you satisfied with his proposals?

[Shaymiyev] I think that he has greatly eased our task. Why? Because there was a huge number of

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meetings in the course of my preelection campaign and, naturally, people asked if it was clear to me, the president, to our population, what we would do in June. I said everywhere that Boris Nikolayevich and the present government are the guarantors of the implementation of the treaty which we signed. We signed an intergovernmental agreement with that government. We will support them this year. People were sympathetic but they all really did say: Without the war in Chechnya. That is not just what I said. It is what people said.

[Kiselev] Mintimer Sharipovich, the absolute majority voted for you — 97 percent of those who turned out to vote in the elections for the president of Tatarstan voted for you and the attendance was very high — over 80 percent, if I am not mistaken. After your public support for Yeltsin, will Tatarstan vote for the president in such concord in June?

[Shaymiyev] The Chechen crisis must be settled cautiously but hurriedly. Why? Because countermeasures by [Dzhokhar] Dudayev's side, his supporters should not be allowed to hinder the peace talks' process which was also very important for them. I think that we will all keep an eye on this and should apply the maximum efforts to ensure that everybody understands this, that everybody strives for a peace settlement. That is a most important aspect to ensure that the population turns out and supports the president's present course. I think that these conditions, this situation should somehow become more attractive and understandable to the population. Then one may hope for a good turnout.

[Kiselev] Mintimer Sharipovich, can you explain, please, why the question of the Chechen war occupies first place in Tatarstan, judging from your words? Why is that? Is it because a large proportion of the population is Muslim, or because of how the history of relations between the republic and Moscow have evolved recently? Or is there some other reason?

[Shaymiyev] You have practically answered your own questions. Why? Because there are many questions, there are still many problems in respect of the economic reform. But the Chechen question has always been in first place. We summed up all the material after my meetings. It dominates. What the people have experienced in their hearts and souls in the five years which it has taken us to reach peace and accord with the Russian Federation is held very dear by them. Therefore, they react especially to what is happening in Chechnya. But the Muslim factor cannot be denied, it also exists to a certain degree, but the main thing is that four or five years ago people harbored many doubts in their souls, especially the Russian people in Tatarstan when the national movement rose up so strongly, sometimes in extreme forms. But I say to you that the fact that people voted in concord is due more to this: People are now confident in the future. Not a single family of any nationality left Tatarstan over these years due to problems in questions of relations between the nationalities. Well, what do people think?: We will resolve the Chechen problem and then other problems, such as material problems, will fall into place, too.

[Kiselev] President Shaymiyev is considered to be the informal leader of the heads of subjects of the Federation, of the republics which are part of the Russian Federation. Will they, the other leaders of regions, following your example — the example of one of their elders — support Yeltsin in the presidential elections in June if everything is alright with Chechnya?

[Shaymiyev] I think they will support him, all the more so since they are practically all gathered in Kazan now in connection with the president, me, officially taking up my second term of office. We will exchange opinions again. I am sure that they will support him.

[Kiselev] In which regions will the electorate follow their local leaders most actively? In which regions will the opinions of the leaders of the republics and territories be decisive in the presidential elections?

[Shaymiyev] This question always concerns me. Why? Because when the preelection campaign was under way for the State Duma elections in December, before last December many leaders of regions, territories, and republics stated: Yes, we support our common home (as heard)! Everything will be alright! Don't worry!

It went as far as that. But, in fact, you can see that the fate of our common home was decided by votes in Moscow and Tatarstan in fact. But objectivity is needed here because there are many votes there, and on the whole, there is a large electorate (?in the countryside) — more than 1,000,000. What is important is that the actions of people, of the leaders of the regions match their words.

[Kiselev] Yes, but there is support and support! There are words and there are deeds! [words indistinct as Kiselev and Shaymiyev speak at same time]

[Shaymiyev] I can see now that is a good thing. There are unequivocal statements now: Yes, we will support Boris Nikolayevich and everything will be alright!

You know, a lot of work is needed for things to be alright. It may be that people will not even vote against Boris Nikolayevich, for instance, but will vote against the actions of the leaders of the subjects of the Russian Federation. That is very important. [passage omitted]

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[Kiselev] Recently, when signing a treaty on the demarcation of powers between the Russian Federation and Kaliningrad region, which was constructed basically on the Tatarstan model, Viktor Chernomyrdin said that if the communists win in June, that will mark the end of new Russian federalism. Do you agree with the prime minister's point of view?

[Shaymiyev] I would not prejudge the matter. Elections are elections. I said how we would work in the June elections and that we would work for the policy of the incumbent president, for him, because it was he who began all these democratic transformations and he must continue them. That is unequivocal. But if the communists suddenly come to power, it is not at all in their interests to destroy now what has been accumulated, that fragile, nonstate structure of the Russian Federation. [passage omitted]

I can say in advance that regardless of who is in power in the future in Russia, Tatarstan will not swerve from that path of political and economic reforms.

[Kiselev] Three days have passed since Yeltsin delivered his peace plan and he mentioned you in particular as a possible mediator in the talks between Moscow and the Dudayev side. Have you received any specific proposals on possible mediation?

[Shaymiyev] I had a telephone conversation the next day with Boris Nikolayevich Yeltsin. I stated my support and that the population of the republic reacted positively to his statement and then we spoke. I said that, as someone who proposed much earlier a version which was in many ways reflected in Boris Nikolayevich's statement, I am ready to assist in resolving that situation.

[Kiselev] Are you sure that you can carry out that mediation mission successfully? [passage omitted noting need for more than just Muslim kinship] In a previous interview with NTV you said that you did not know Dudayev personally.

[Shaymiyev] No, I have never met him.

[Kiselev] Why are you so sure that your mediation will be successful?

[Shaymiyev] I am not just guided by my desire alone in this. [passage omitted] I think that this is the only possible opportunity for him, as the man who heads the Dudayev side, and for his supporters, to get out of the political impasse.

[Kiselev] So you think it is question of political survival for him?

[Shaymiyev] I have to take that factor into account. All the more so since that is the reality now. I do not think that there is unity and general support for Dudayev in Chechen society today after what has happened along that path to independence. And he should take real account of that, there is no doubt about that.

What was the mistake he made at the very outset? He headed the struggle for independence in a categorical way although there is no ideal sovereignty or complete independence because after independence has been declared, the process of cutting oneself off from the realities of life begins immediately afterwards. This was the possibility he left me. He stands at the head of the banner of independence. The people believed him and this is the path that they have travelled so far today. Therefore there will be no easy path here. The talks will be long but they are necessary and there should be mutual respect. Why? Because I think that he knows the constitution of Tatarstan, he knows what path we travelled, what confrontation there was, that we went through [words indistinct], too, how we managed to do that. All that is clear to a sensible politician. I think that this is the basis, the material where we can hammer things out and try to draw the positions closer together in the form and content announced by Boris Nikolayevich Yeltsin. That is what I am counting on.

[Kiselev] Do you think that someone talked the president out of meeting Dudayev, that somebody convinced him that he needed to take such a tough position with regards to Chechnya, to apply methods of force?

[Shaymiyev] Most likely.

[Kiselev] Won't the same thing happen again?

[Shaymiyev] Why? Because at the meeting of the council of heads of republics, Boris Nikolayevich said: I want to meet Dzhokhar Dudayev. But he went on to say: In my team, in the Security Council, there are people who are trying to talk me out of that!

I think: Why did I support that statement right away? In the first place because Boris Nikolayevich managed to get away from the pressure of force on the president by the power-wielding structures, and that is important.

[Kiselev] Was there pressure from the power structures?

[Shaymiyev] I think that it exists today, too.

[Kiselev] Won't they change his mind?

[Shaymiyev] The president has given his word. And it is not an easy time. It is before the elections. And with such a problem as Chechnya, I think that the plan should be implemented. Nothing else is possible. [passage omitted]

[Kiselev] What is your forecast? Will it be possible to put out the sparks [of the Chechen conflict]?

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[Shaymiyev] Trust must be won. Combat actions must be put an end to once and for all. Talks must proceed along normal channels. That is probably the most that will be possible before June, gradually, toward a final settlement. And if we manage to do that beforehand, it will be considered to be a major success. [passage omitted]

Russia: Moscow Oblast Workers 'Forced' To Attend Yeltsin Rally

MM0404135896 Moscow PRAVDA in Russian 4 Apr 96 p 1

[Report by Viktor Kuznetsov: "Attend Meeting With the President...As Per Quota"]

[FBIS Translated Text] Mytishchi, Moscow Oblast — Amid strict secrecy, following an enforced collection of signatures, the Mytishchi Machine Building Plant, now the "Metrovagonmash" Joint-Stock Company, is today preparing for a rally in support of Boris Yeltsin's presidential candidacy. Despite the enterprise's grave economic position and the labor collective's wholesale discontent at this campaign, the president's representative in Moscow Oblast and the head of the oblast administration, who visited the enterprise, asked the plant management to ensure that workers attend a meeting with the president. Workshop and section bosses were told to send 10 people each. Failure to comply will entail tough administrative measures.

General Director Yu. Gulko was previously forced to agree to be Yeltsin's agent under flagrant pressure from above. The enterprise labor collective is indignant at the flagrant pressure from the administration. Working people are voicing mistrust in the president.

Russia: Zyuganov Gets Warm Welcome in Smolensk; Shunned by Youth

MK0504125296 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 5 Apr 96 p 2

[Report by Aleksey Zverev: "The Capture of Smolensk"]

[FBIS Translated Text] In 1812, when Napoleon's army seized Smolensk, Russian military leader Kutuzov observed: "The key to Moscow has been taken!" Indeed, Smolensk's strategic position has at all times made it the major, and sole, fortress to the west of the capital. Therefore from time immemorial, he who possessed Smolensk also possessed the capital city.

At present, Smolensk Oblast is confronted with a very difficult demographic situation: The mortality rate is nearly double the birth rate. One local resident himself described his city as a "city of elderly." The older generation is traditionally regarded as the Communist electorate. This must be why in the December parliamentary elections the Communists received 32 percent in this key city (and including the Zhirinovskiyites, more than 50 percent), electing Communist Anatoliy Lukyanov, in a single-seat constituency, to the State Duma for the second time in a row. Considering all of this, the success of Gennadiy Zyuganov's visit was a foregone conclusion. The hero city met Comrade Zyuganov with bread and salt [traditional Russian welcome to a lofty guest] and with girls in local dress. Perhaps all passengers on the train knew that the number one Communist was aboard, but upon arrival two tardy old women, seeing the general secretary, exclaimed: "Good gracious, we have traveled with Zyuganov himself?!"

Literally straight off the train (after a one-hour rest at the hotel), Gennadiy Andreyevich [Zyuganov] went to see the sights and lay wreaths at the Tomb of the Unknown Soldier and monuments to Lenin and Vasiliy Terkin. The Zyuganov party was gradually growing, and half an hour later the crowd reached an impressive size. True, those were for the most part pensioners. Young people, however, walked on by (to work, to colleges), casting unfriendly sidelong looks at the admirers of the CPRF leader. He, for his part, thoroughly stressed his proximity to the people, willingly listening to "voters' instructions," shaking hands with babushkas and inviting the citizens to come and listen to his speech in the evening.

After the wreath-laying ceremony the general secretary was to meet with Anatoliy Glushenkov, head of the Smolensk Oblast administration. But, unfortunately, the "head" turned out to be a "Yeltsinite" (as did his colleague in Ryazan). So Gennadiy Andreyevich had to meet with his deputies. After that Comrade Zyuganov went to the Talakshin poultry farm, where he delivered a two-hour speech before the farm labor collective. After lunch Gennadiy Andreyevich gave a press conference and delivered a lecture to agricultural college students.

The "younger generation" calls for a special approach. The CPRF has a lot to do yet in this sphere, if only because the youth associates "democrats" with "freedom of expression," while Communists are associated with coercion. This must be why the college assembly hall was two-thirds filled with journalists and teachers. Many young men and women, however, left before the general secretary finished, making unflattering comments at the door.

Zyuganov made another three speeches (at the engine plant, the Trade Union House, and the Officers' Club) which little differed from each other, rather recalling

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a gramophone record that got stuck. As always, the general secretary's speech followed the same scenario:

1. Criticism of the government's socioeconomic and foreign policy course, with the mentioning of the most odious public figures. Criticism of the president (and a stock joke about B.N. [Boris Yeltsin]).

2. "The democrats have taken away what was achieved by the efforts of Soviet citizens." Examples from the hard life of the working man: "a burly miner with powerful hands" and with tears in his eyes.

3. Complaints about the media ("they are obliged to publish the Communist Party program"), especially TV, MOSKOVSKIY KOMSOMOLETS, and a number of other independent [preceding word underlined] newspapers. And so forth.

During his one-day sojourn in Smolensk more than 15,000 people heard the Communo-patriotic leader live, and so Gennadiy Andreyevich can consider his visit a success. The "key to Moscow" is in his pocket. Will the popular belief about the "key" be fulfilled now? We shall have to see; after all, the people of Smolensk note, not without pride, that those who ever managed to capture their city [Napoleon], in the end wound up back on "square one."

Russia: Moscow District Brigade Practices Live Missile Launch

MM0404133596 Moscow KRASNAYA ZVEZDA in Russian 4 Apr 96 p 1

[Report by Feliks Semyanovskiy: "Moscow Military District Missilemen Conduct Exercise Involving Live Missile Launch"]

[FBIS Translated Text] A missile brigade commanded by Colonel Konstantin Derevyankin has conducted an exercise at a Moscow Military District test site. The missilemen made a combined-mode march and carried out a missile attack on a hypothetical enemy.

Lieutenant General Vladimir Zaritskiy, commander of Moscow Military District Missile Troops and Artillery, who attended the exercise, noted that this exercise was the brigade's first serious test of field skills this training year. Officers received practice in command and control of subunits. A real launch of a live missile was carried out with high precision. Missile training course tasks were also performed, and collaboration with combined forces subunits detailed to defend the unit were rehearsed. A subunit of the Kantemir Division "accompanied" the missilemen.

Economic Issues

Russia: Academician Interviewed on Elections, Science Crisis

964F1678A Moscow ARGUMENTY I FAKTY in Russian Apr 96 No 14, p 4

[Interview with Academician Vitaliy Goldanskiy, adviser of the Russian Academy of Sciences, member of many overseas academies, and general director of the Russian Academy of Sciences Joint Chemical Physics Institute, by Natalya Zhelnorova; place and date not given: "Why We Believe in Miracles"]

[FBIS Translated Text] [Zhelnorova] Vitaliy Iosifovich, Russian science is at a standstill. Neither sensational discoveries nor deeds—peace and quiet. Is this all because of a lack of money and inattention?

[Goldanskiy] Our science is wrestling with Hamlet's question: To be or not to be. On the one hand the dismissive attitude of the authorities toward the vital interests of basic science and the risible (laughter through tears!) level of appropriations for science are increasingly obvious. On the other, the sharp decline in the prestige of science and scientists in society, and instead of being a panacea, science has come to be regarded as the source of all troubles.

[Zhelnorova] People of science differ from others by special foresight and a capacity for analysis. Was there no one among you who could have foreseen what has happened?

[Goldanskiy] In all evaluations there are pessimists and optimists, the gullible and skeptics, idealists and pragmatic realists. Sponsorship of science is now seen as a means of winning popularity among the intelligentsia. We, however, were hoping that the significance of basic science would be valuable for our authorities in itself. This was not the case.

[Zhelnorova] Is there among the scientists a striking personality who might if only to some extent replace Sakharov?

[Goldanskiy] In the social and civic sense I do not see a person who enjoys tremendous authority both with us and throughout the world. In this sense the change of generations and the rejuvenation of science have not been to its advantage. For not only did we have Sakharov—there were in the older generation such splendid persons as Igor Tamm, Petr Kapitsa, Mikhail Leontovich.... They were the conscience of science.

But speaking of the forces in science, we have in mathematics V. Arnold, I. Gelfand, S. Novikov, Ya. Sinay, and L. Faddeyev. These are top-class scientists. Or such

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theoretical physicists as V. Ginzburg, L. Gorkov, and L. Keldysh. True, many of our "lead violins" spend a considerable part of their time abroad, but this is a separate matter.

[Zhelnorova] The presidential elections will be "lesser-evil" elections. How do scientists define this "evil."

[Goldanskiy] Support for the left, communo-national-patriotic school and Zyuganov and his ilk has grown greatly. But there is support for Yeltsin and the NDR [Russia Is Our Home] also. The least success among scientists, it seems to me, is enjoyed by Zhirinovskiy, the most, by Yavlinskiy and other democratic groupings, which are still severely disunited, alas!

[Zhelnorova] How has the brain drain affected the mood of the scientists who remain?

[Goldanskiy] The brain drain has many faces. There is the departure of scientists abroad. Now (judging by our institute) the majority of those who are currently overseas are not emigres but persons working on contract and on temporary assignments and in industrial training—from several months to several years. They do not break their ties to Russia, keep their citizenship, come here, and publish their works in both our and overseas journals.

Another version of the brain drain is into business and commerce, quitting the place of employment or otherwise.

[Zhelnorova] Perhaps those leaving are not severing their ties to Russia because it is possible to draw something from here, as from a spring, and take it overseas?

[Goldanskiy] Rather the reverse, I believe, they draw something there and bring it here. And there is a mutual benefit in this. After all, we are not yet entirely impoverished in terms of gifted youth. The most frightening aspect of the brain drain is that it could entail the demise of our scientific schools if the teachers leave together with their students for good. The main thing is to preserve the youth reserve and not isolate it from world science. We should not lose but gain from extensive international scientific intercourse and from the freedom of movement of scientists.

[Zhelnorova] But is everything headed toward loss of the youth reserve?

[Goldanskiy] Various scholarships and grants from our and international foundations are countering this loss. But, on the other hand, the wage arrears are extremely pernicious, this is a most telling blow to science. To our shame, corruption and the dishonest financial activity of leading figures, up to and including members of the board of directors, have emerged in some academic institutes. People are being literally pushed out of laboratory premises (being furloughed), and these premises are being rented out. The rental payment is being used not for the good of the institute, though, but for personal enrichment.

When there is talk about scientific employees leaving for commerce, there are two sides of the coin here also. If it is a question of the sale of intellectual property and of the transfer to some commercial outfits of the right to realize this scientific achievement or the other, this is essentially the process that was previously called pilot introduction. Not leaving their scientific work but, on the contrary, intensifying it, the associates in this way raise their level of well-being. Splendid!

The other way, however, is to abandon scientific activity altogether, go into a business that bears no relation either to the education that has been acquired or to the foregoing work experience, and to use one's "gray matter" to earn big money. "To sell one's birthright for a mess of pottage," if you like.

[Zhelnorova] Perhaps there is divine predestination here? If people have not found themselves in science, they will at least find themselves in the sphere of enterprise? That is, their "going into science" was, perhaps, fortuitous?

[Goldanskiy] Quite possibly. People are trying in this way or the other to take advantage of the opportunities afforded by the market economy and capitalism. I recall wise words spoken by a preeminently successful German lawyer: "What we were told about socialism was wrong, but what we were told about capitalism was right."

[Zhelnorova] What, in your opinion, is the reason for the generosity of the founder of what is now the so popular George Soros Foundation?

[Goldanskiy] Primarily patronage of the arts, which has a long tradition in the United States. It means extensive publicity for the donor of the funds, and, in addition, money for charitable purposes is not taxed so that "fame for a billion" is acquired for essentially a more modest price—thanks to tax savings. Of course, there are psychological factors also. Soros is becoming a prominent figure not only in the world of finance and economics but in the political world also. All this is publicity, which is valued highly overseas and which represents an important factor for patrons of the arts.

[Zhelnorova] How productive has his assistance been?

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[Goldanskiy] Very. Judge for yourself—he gave some $100 million for Russian science in 1994-1995, one-fourth of what was allocated basic science by the state.

It is notable that this money has gone not to institutions but to specific executants for specific work, on a competitive basis.

[Zhelnorova] Is science not traveling up a blind alley?

[Goldanskiy] One of the main problems of our science is the steep decline in its prestige. Consequently, fewer and fewer young people are going into science. Hack writers who have portrayed our outstanding nuclear physicists as preppies who worked according to American prescriptions procured by intelligence, and overseas leading lights of science, as Soviet spies or their accomplices, have done their bit here also. Yet gaining and losing prestige is a self-perpetuating process. A wide-ranging campaign has been mounted in connection with problems of the environment: Science is to blame for all the troubles, all bad things come from science. Power engineering and chemical industry have come in for it particularly. And so one thing after the other.

[Zhelnorova] But a spiraling in one direction. What about the other? In the direction, for example, of the environment or pharmacology? You can invent a bomb, but you can devise medication against cancer and AIDS also!

[Goldanskiy] Right, and much is being done, but where is this being described? There is simply no desire to hear us.

[Zhelnorova] The title of academician is being bestowed right and left. Why are you so belittling it?

[Goldanskiy] Unfortunately, the title is not being bestowed but illegally taken. Approximately 100 various pseudo-academies have been proclaimed in the country. And no one has ever heard either of this academician or his academy. Virtually the sole public academy which, from my viewpoint, is useful and which is operating actively is the Russian Academy of Natural Sciences.

I have a proposal (somewhat humorous) to make in this connection—introduce for academicians and corresponding members of the Russian Academy of Sciences the title "full academician" and "full corresponding member".

[Zhelnorova] What is your view of the appearance of fee-charging higher educational institutions?

[Goldanskiy] This is not only with us, and there is nothing wrong with this if the quality of tuition in such higher educational institutions is sufficiently high and if their degrees are of genuine quality. But various institutions which have become "vanity fairs," as it were, have appeared both with us and overseas. The New York Academy of Sciences—similar to our House of Scientists—has 50,000 full members and sends out invitations for enrollment extensively for just $105 a year.

[Zhelnorova] What is behind the exceptional burgeoning of bogus science and pseudo-science? Society's need or scientists' impotence?

[Goldanskiy] When television, the radio, and the newspapers serve up various pieces of twaddle, this is depressing, of course. Bio-fields, telekinesis, astrology, ESP, Filipino medicine, the other world, in which time moves backward, deflection of the flow of elementary particles by the power of thought—there is no limit to this claptrap, to which, unfortunately, perfectly respectable people and the news media are no strangers at times.

Alas, bogus science and pseudo-science are inalienable attributes of troubled times. They give rise to the false impression that science can do everything one wishes. Whence the sarcasm: "Your science—what rubbish it talks."

[Zhelnorova] You all also need to learn to talk about science in interesting and entertaining fashion so that, having opened your mouths, people listen to you!

[Goldanskiy] But not as a comforting tale but as the truth. We can already cite a number of good examples ("The Obvious and the Incredible," say). I recall a conversation with Landau on the snowman. He said: "I would very much like this to be true because there is an innate desire in all of us to believe in miracles. But, unfortunately, I am sure that this is not true."

We are avid for miracles, particularly when the going gets tough.

I wondered whether a rank-and-file scientist who had made, in his opinion, an outstanding discovery which shook science's foundations could evoke interest among the leading lights of science and obtain their support. The academician's response was as follows. If the question dealt with the "holy of holies," the principal axioms and theorems of physics and mechanics, that is, no respectable scientist would either try to grasp or investigate this "discovery." If with something small-scale and clarifying, certainly, but big things—do not encroach.

Perhaps this why we have few striking discoveries and sensations? Or perhaps it is good like this for venerable scientists—all is clear and comprehensible?

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Russia: Economic Slide Detailed; Price Controls Urged

MM0404092796 Moscow PRAVDA in Russian 30 Mar 96 pp 1-2

[Article by Yuriy Sakharnov, vice president of the Russian Union of Industrialists and Entrepreneurs: "Track Ahead Dismantled. 'Locomotive' of Economy Heading for Derailment"]

[FBIS Translated Text] People are already sick to death of the talk of impending stabilization. Where is it, how are we to discern it?

Illusions, illusions. Our market's deformations are too great to seriously count on an upturn in production if you rely solely on the market, without utilizing the state's potential. However, there are problems here too. After all, what a blow has been dealt to the state during the reform years!

The crisis among those at the top is only just unfolding and it is impossible to see how, amid the atmosphere of larceny, corruption, pet campaigns, and protectionism, a core of statesmen — albeit bourgeois in type — capable of establishing the rules of play and serving a whole class rather than individual members, can take shape. It can only be assumed that this will not happen before the division of power and property is complete. But it is also clear that this will not happen soon, particularly if you bear in mind the scale of the task, the ambitions of the various parties, and our inability for reasonable compromise.

Meanwhile there is virtually no time left for wrangling within the ruling elite. Last year was a record in terms of the number of strikes, hunger strikes, and other expressions of protest and indignation. The beginning of this year indicates that this year will be even more terrible and dangerous for the elite. Decisions capable of providing a rapid improvement in the population's lives are being demanded even now. Otherwise an emergency is inevitable. However, complacency or lethargy — sometimes even both at once — still thrive "at the top." What price the promise to pay wage arrears in March, for instance, when they are still saying that it is impossible to change the economic course. Only an adjustment is being made. And this at a time when every day is precious, when delay spells hunger and anarchy.

What is to be done when you can see that there will be no order at the top for a long time to come yet the interests of the grassroots must be defended immediately? All in all the answer is clear: It is necessary to maneuver without shunting the train into a siding and also without derailing it. Not trying to achieve the impossible but also not losing heart. The government's opponents are unanimous in thinking that it is necessary to restore the population's effective demand in order to escape from the crisis. In theory that is indisputable. However, first, a minority have their snouts in the trough and will not give up much, although some things will have to be shared out nonetheless. Second, suppose it does prove possible to somewhat increase the majority's wages, pensions, and other income and, consequently, boost demand for food, clothing, footwear, household appliances, etc. What then? Will production rise? Most likely imports will rise and prices will rise too.

Our radical reformers were quite unable to comprehend the specific nature of the Russian economy, which responds to a fall in demand with a fall in production and to an increase in demand by an increase in prices. There is nothing for a monetarist to do here, it is not his field. That was why Ye. Gaydar and his team came a cropper. The deep recession in some sectors is not being accompanied in our country by a rise in production in others, which is absolutely essential in a classic monetarist system. Were it not for their ambition, unbounded faith in their own infallibility, and utter indifference to the people's suffering, the reformers would have long since fallen to thinking and stopped their nonsensical experiment.

The government's opponents must not repeat its mistakes. It must be clearly understood what kind of economy we are dealing with. Even if it proves possible to provide money for the poor by means of taxes, that money will be immediately taken away by the subsequent rise in prices. Remember how and why the inequality in the distribution of incomes arose. It arose because of a rise in prices, of course. Price is the most powerful lever for the redistribution of incomes in favor of the ruling and property-owning minority. As long as prices remain free, they will rise and the impoverishment of the people will continue. And it will be impossible to restore the population's effective demand.

It is hard now to redistribute incomes by means of tax policy. A fairly powerful and flexible means of concealing profits has been set up and will not be destroyed rapidly. But it is easier to control prices since, unlike profits, they are plain for everyone to see; at any rate it is far easier to find out the price. Hence the conclusion that taxes on superincomes must of course be raised, but the main thing is that state control of prices should be introduced, albeit temporarily. Not just on the output of the natural monopolies but also on food, clothing, footwear, etc. Incidentally, during the postwar period the United States, the home of monetarism, frequently resorted to freezing the prices of a wide range of goods. And we need that kind of "freeze" even more.

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State control of prices is absolutely essential to escape from the crisis, making it possible to eliminate extremes in the distribution of income. But the priorities — or, as colorful economists say, the locomotives — must also be identified. And there are plenty of them. Regrettably, they are not all on the move, they are not all capable of pulling a train.

Science-intensive production, primarily arms production, is suggested as one of them. An interesting idea. It cannot be denied that it is a good locomotive, but the train is extremely heavy and the track ahead has been dismantled. The West is displacing us from our traditional East European markets. And we are also having a hard time in the Near and Middle East and in Southeast Asia. The United States, vexed by the sale of 18 MiG's to Malaysia, is now doing everything it can to weaken Russia's influence. And the prospects are extremely gloomy. Owing to lack of funding, research and development is being cut back. In five to 10 years Russia will have nothing to sell on the world arms market. Yet quite recently we provided half the world with arms.

The situation in civil industry is no better either. Here too high-technology, science-intensive production is being cut back. Production of computers has been virtually suspended (less than 3 percent of the 1990 level) along with production of tools with digital program control (4 percent), all kinds of high-grade rolled metal (15 percent), etc. Our machine building industry is already lagging 10-15 years behind the West in terms of technological standards and quality. Investment is needed to overcome the lag.

But where is the money to come from? Commercial banks' credit terms are not advantageous. We should not rely on exports either — prices are close to world prices, yet quality at best is unchanged. Will the state help remedy the situation? Hardly in the near future. There are too many other, even more pressing tasks.

The fuel and energy complex cannot be a locomotive force either, no matter how strange that claim may sound. I have already said that our natural resources are costly and inaccessible, and also a long way from world industrial centers. That is why it is better not to export them but process them on the spot.

During the reform years the number of production units that were uncompetitive by world standards has fallen considerably. Importers have taken their place. That is why exporters of fuel and raw materials have now ended up in a difficult position. Profitability is on the decline and exports are also falling. Thus, in the metallurgical industry it has become unprofitable to export many kinds of output.

The prospects are similar for other fuel and raw material exports. Our government is seriously counting on foreign investment — and on a huge scale — in the fuel and energy complex. But why would the West invest a lot of money in the extraction of natural resources when costs in Russia are way above the world average? The United States recently said that it is cutting investment in Chile's copper industry. Why, one wonders? Because the costs are high.

Our designers often overstate technical and economic indicators in order to get money. But Western experts do not trust them, suspecting their motives. Thus, K. Liesen, chairman of the board of Ruhrgas, recently said that the Yamal project has not yet been worked out fully in economic terms, its effectiveness has been overstated, and its implementation is only advisable should the price of energy resources rise by at least 10 percent. Thus, Yu. Shafranik will hardly get from the West the $150-160 billion that the Russian fuel and energy complex needs, according to the Ministry of Fuel and Energy.

Economic growth in Russia in the near future cannot be ensured by exports of either fuel and raw materials or science-intensive output, including weapons. Housing construction cannot be a locomotive force either. The bulk of the population is too poor to buy apartments costing tens or hundreds of millions of rubles, and the number of "new Russians" is only rising slowly, if at all. The age of easy money is over and the construction boom in the capital is coming to an end too. You only have to drive around new housing projects — Butovo, Mitino, and Zhulebino — to see that. Houses have been built but not occupied. There are no buyers.

You have to start with the basics — by restoring Russia's food independence. We began to lose it back in the Soviet era, which was the reason for the democrats' fairy tale regarding the impending famine in 1992, from which we were supposedly saved by radical economic reform. There is admittedly another view. Something that was an extremely remote threat in 1992 is today becoming a terrible reality. During the reform years production of many kinds of agricultural produce has halved and the decline is continuing.

It is necessary to start with agriculture, the light and food industries, and sectors that directly determine the well-being of the reform-ravaged people, by restricting the flow of stale food from the West and low-grade Asian consumer goods. The latter is particularly essential. Is the 75-90-percent decline in light industry during the reform years really not enough for the government?

The Ministry of the Economy is coolly forecasting a further decline of 17-20 percent in 1996, which will mean the final collapse of light industry.

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Economic reform has indeed meant very real disintegration. If anything has been created, it is a mechanism for destroying production and impoverishing the population. It is even hard to say what the Russian economy's aim is. Apart from exporting capital? Needless to say, during the Soviet period the interests of consumption were not paramount. The USSR's most important priorities were defense and economic growth. But the people nonetheless got something. Now they are getting less. Many people have almost forgotten what their mouths are for — there is nothing to eat....

Russia: Kadannikov Orders Railways Ministry To Pay Debt

MK0504072296 Moscow NEZAVISIMAYA GAZETA in Russian 4 Apr 96 p 2

[Report by Sergey Kashlev: "The Fuel and Energy Complex and the Ministry of Railways Should Settle Up With the Budget"]

[FBIS Translated Text] Addressing a meeting of the operational commission for perfecting nonpayments and settlements [operativnaya kommissiya po sovershenstvovaniyu neplatezhey i raschetov], commission chairman Vladimir Kadannikov turned down the Ministry of Railway's request to exempt it from payment of the value-added tax in the first half of 1996. Many people know that the fuel and energy complex and enterprises of the Ministry of Railways are the principle tax debtors to the federal budget. The Ministry of Railways' debt, for example, is 2.9 trillion rubles [R]. Therefore, the first deputy premier of the Russian Federation categorically demanded that the Ministry of Railways pay it, explaining his stance by the fact that, as a transportation monopoly, the railways are operating extremely inefficiently today. According to Tula Oblast Governor Nikolay Sevryugin, tariffs, which the Ministry of Railways has raised from 15 to 28 percent [figures as published] increase the already high costs of industrial enterprises. As a result, enterprises are obliged to leave all the markets that involve rail shipments. Vladimir Kadannikov noted that in order to resolve the nonpayment problem, it is time to "cut the knot in which the Ministry of Railways and sectors of the fuel and energy complex tied the economy." For its part, the Ministry of Railways, in the form of First Deputy Minister Ivan Besedin, argued that, under the prevailing conditions, the state should provide urgent support to the railways. Ivan Besedin stated that railway people find that shipping operations are loss-making and they cannot cover the sector's growing deficit. Nevertheless, railway people have managed today to pay up half the debt they ran up early in the year to the federal budget, or R4.3 trillion. Ministry of Railways spokesmen think that in order for the balance of the debt be paid, the state ought to develop special tariff policy strategies for the second half of 1996.

Russia: Factors Behind 2 Apr Surge in MICEX Trading Viewed

MM0404140096 Moscow IZVESTIYA in Russian 4 Apr 96 p 1

[Report by Irina Savvateyeva: "Not 'Black' Tuesday, Just Tuesday"]

[FBIS Translated Text] Trading volumes increased sharply on the Moscow Interbank Currency Exchange [MICEX] Tuesday [2 April]. Volume was $86.42 million compared with $6.5 million Monday. And bids ($91.43 million) considerably exceeded offers ($49.46 million).

The current time of troubles has made many citizens very cautious about everything that is happening. Any event — be it in the economy or in politics — is seen primarily from the angle of whether it is a bad sign or not. In this situation, it seems, the slightest excuse is enough for many people to sigh resignedly and say, "OK, that's it...."

Thus, the report about the sharp increase in foreign exchange turnover, which would once have passed unnoticed, caused palpable concern this Tuesday — was this a bad sign? Did it mark the end of financial stabilization?

But Moscow Interbank Currency Exchange expert Igor Doronin does not see these events as a "sign." He recalls that sharp surges in activity regularly occur in trading, simply as a result of a combination of a number of circumstances. Thus, 8 February turnover on the Moscow Interbank Currency Exchange was $166.3 million, on 27 February it was $80.9 million, and on 4 March it was $103.6 million. And this when, ordinarily, daily turnover fluctuates between $4-10 million.

Igor Doronin is inclined to put the current surge down to two factors. First, it is the end of the quarter, the banks have money, and it has to be used. Should they invest solely in short-term state bonds? But "long" bonds are risky, even though they are cheap. "Short" bonds are too expensive. So, the Moscow Interbank Currency Exchange expert believes, the banks have decided to turn their attentions to foreign exchange. Incidentally, all this by no means indicates that they have gone cool on the state securities market, Igor Doronin emphasized.

The second factor, in our interlocutor's opinion, is that the banks have brought a lot of new U.S. dollars into Russia, $200-350 million, Igor Doronin estimates.

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Correspondingly, these sums have been withdrawn from deposits at U.S. banks. It is now necessary to replenish those deposits — and so the banks are buying foreign exchange.

And in general, Igor Doronin reminded us, turnover on the Moscow Interbank Currency Exchange is so insignificant that just two or three major banks wanting to buy currency for whatever reason would be enough to have caused the current upsurge.

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International Affairs

Ukraine: Russia Resumes Nuclear Fuel Supply to Chernobyl

AU0504092596 Kiev MOLOD UKRAYINY in Ukrainian 4 Mar 96 p 1

[Unattributed report published under the rubric "Fact"]

[FBIS Translated Text] A long-overdue trainload of nuclear fuel arrived at the Chernobyl Nuclear Plant from Elektrostal, a town near Moscow. The special container-cars carry 160 fuel assemblies sufficient for the plant's reactors to operate at full capacity for 70 days.

Ukraine: Kuchma, Belarusian Official Discuss Chernobyl Problems

LD0404184896 Moscow INTERFAX in English 1515 GMT 4 Apr 96

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Kiev, April 4, (Interfax-Ukraine) — President Leonid Kuchma of Ukraine and Parliament Speaker Semen Sharetskiy of Belarus met in Kiev on April 4 to discuss problems related to the elimination of the aftermath of the Chernobyl NPP [nuclear power plant] accident and further destiny of the plant.

The Belarusian Parliamentary Speaker is staying in Kiev with a group of Belarus' MPs, who have come here for a meeting with Russian and Ukrainian MPs in commemoration of the tenth anniversary of the Chernobyl NPP accident.

After the meeting Press Secretary to the President of Ukraine Dmytro Markov told the mass media that the meeting discussed the necessity for the two nations to pool their efforts in order to minimize the effects of the Chernobyl accident. President of Ukraine underscored that the Chernobyl problem called for an integrated solution and that a involvement of the international community was indispensable. L. Kuchma disclosed that a Decree had been signed to establish an international science center at the Chernobyl NPP.

In the course of the meeting, D. Markov disclosed, S. Sharetskiy informed Ukraine's President on the recent accords between Belarus and the Russian Federation. On April 2 Presidents Boris Yeltsin of Russia and Alyaksandr Lukashenka of Belarus signed a Russian-Belarusian Treaty establishing a Community (Union).

According to D. Markov, L. Kuchma underscored that Ukraine stands up for in-depth integration with Belarus, especially in the economic field. However, in the President's view, Ukraine is interested in a cooperation based on respect for the national interests of all the partners rather than one-way integration.

Ukraine: Kiev's Strategy of European Integration Remains Unchanged

LD0404214696 Moscow INTERFAX in English 1707 GMT 4 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] KIEV, April 4 (Interfax-Ukraine) — Ukraine's foreign policy strategy remains unchanged with its main objectives being integration with European countries and expansion of relations with Russia, Foreign Minister Hennadiy Udovenko told Interfax-Ukraine Wednesday.

Referring to the treaty between Russia and Belarus Udovenko said the Foreign Ministry will study the document as soon as it arrives.

"It is not a question of Ukraine's attitude to the agreement but its influence on the situation in Ukraine," the minister said.

After analyzing the treaty the Ukrainian Foreign Ministry will send appropriate recommendations to President Leonid Kuchma.

National Affairs

Ukraine: Kuchma Delivers Annual Address to Supreme Council 2 Apr

LD0304210596 Kiev Radio Ukraine World Service in Ukrainian 1815 GMT 2 Apr 96

[Ukrainian President Leonid Kuchma's Annual Address to the Supreme Council on 2 April — recorded]

[FBIS Translated Text] I will dwell on some aspects in the life of the state and society, on some key problems that require understanding and urgent resolution. Above all, I consider it necessary to state that, regardless of the colors used to paint the present state of Ukraine, the reality is such that we confirm ourselves as a state and reform ourselves as a society. Ukraine has passed the historical point of no return and there will not be any return to the past. However, the danger of attempting this has not been ruled out. And what is more, it is real, taking into account both internal and external factors. We should never again raise the issue of deciding what sort of state Ukraine will be. The decision has already been made. We must reject all kinds of doubts and we must not waver as to whether we can safeguard the current level of its economic, social and political being. Otherwise we will again be doomed to another painful experiment in the fruitless search for the illusive bright

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future. Behind us is the precipice of destructive retreat and it can only be so. Ukraine would simply not bear it.

Taking this into account, I would like to stress that now, as never before, there is an urgent need to have a well-considered and unbiased assessment of the stance of our state, and recognize the first shoots and positive efforts of organizing life in the new conditions, and safeguard and adapt it to Ukraine-wide circumstances. After all, nobody ever emerged from crisis through a crisis. What is most important is objectivity and realism that require a renunciation of both the feeling of disaster and unmotivated optimism or general despair which automatically gives rise to an atmosphere of mistrust and the search for enemies. Representatives of the power bodies, politicians and political power should testify to this. I am forced to draw attention to this because at these levels the indicator of stimulation and aggressiveness is significantly raised over the general societal level. The endless political criticisms sow dangerous seeds of discord, and generate tension and confrontation in the country. We must once and for all abandon populism in all its manifestations which for many has already become a profession and redirect our efforts at the difficult and exhausting work to build our state and organize our life on civilized principles. It is a generally known truth but it is worth recalling. With regard to this, the dreams and aspirations of every one of us should be implemented by means of consolidated our efforts in practical work. In order to divide the social pie it should first be allowed to grow. It is high time that each one of us received an honest reply — who does he represent in politics and why did he enter it? As a plenipotentiary representative of the people or exclusively to represent narrow party and legal interest? How can we understand the fact that we are calling for great changes when they are a long way off and catch a fever when they are upon us, and search for the culprits when the transformations finally begin to be carried out. How can we understand that some people, while asserting that they serve the state, at the same time are ready to denounce it and often search for ways of surrendering; swear their love and sympathy for the people while stubbornly refuse to understand the objective necessity of unpopular decisions for its salvation. By doing so they are dragging out the period of uncertainty and chaos. They praise freedom and democracy but do little to consolidate them. For the most part, they act with methods akin to forced pressure and even political blackmail. They aspire to predict the future but in reality they are moving backwards. They dethrone inconsistency and, at the same time, act in the same way counting on reforms being defeated for their own self-approval. We will be honest and admit that we have given grounds for some of these far from rhetorical questions. This is the first and most important problem which I consider necessary to draw attention to. It is a serious obstacle on the progress of forming the state and building up a civil society.

We have all the grounds of including among our most important achievements the maintenance of civic peace and calm in society and maintaining the integrity of Ukraine. The importance of this as an indispensable condition of creating a new life becomes more understandable by a simple attitude in the processes that are taking place in the post-Soviet countries, where conflicts, including aggressive ones, have become an indivisible characteristic of the transitional phase.

To a considerable extent, political stability is the result of wisdom and the well-considered nature of our people, although they spontaneously and purposefully subject themselves to trials, socioeconomic processes and various political influences. This cannot but have an effect on the our joint moods. Therefore, at present the the issue of consolidating all the branches of power, political forces and the public at large is an acute one.

It is now very important to gather the political will and to act an coordinated fashion as possible. I am not exaggerating when I say that our future depends on this. Specifically what are we talking about? Firstly, it is necessary to formulate a coordinated consensus with regard to fundamental values. We should finally initiate a movement that unites rather than divides us and determine the points of coincidences in the views of various world outlooks in order to achieve a political compromise. Secondly, we need to create conditions to open up historical creativity and reject the pre-planned [word indistinct] attempts of another search for a simple solution to the difficult problems - it does not exist. Thirdly, it is necessary to search for fundamental values of development in world experience and in our own Ukrainian political culture, and not in some abstract ideal, and remove ourselves from the simplified [words indistinct] aggressive understanding of the national idea. I am convinced that Ukraine's future will be decided today and not by deciding between going forwards or backwards. Its stable development is possible under conditions of destroying the (?centre of attention) of social discussions in the sphere of ideology of capitalism and capitalism. [Words indistinct] the birth of democratic institutions - the new principles of the vital activity of the country and the people. This is pressing from the viewpoint of the fact that the openness of politics invited many candidates to take part in it. Hence the importance of seeing and understanding that which constitutes the main results of our work today.

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I believe that 1995 will go down in the historic annals of Ukraine as a generally successful year, despite the economic and social crises. We developed a better foresight in the economic and political development. We managed to avoid a most horrific political crisis, its transformation into a dangerous confrontation and a confrontation between the executive and the legislative. The constitutional agreement between the Supreme Council and the president of Ukraine made it possible to get out of a tight corner in which we had found ourselves because of the extension of the effect of the Constitution of the Ukrainian Soviet Republic beyond the historic limits of the existence of the socialist republic, to initiate the integrity of state policy on the basis of the principle of division of power and to stimulate a modern constitutional process.

We proved to be able to overcome the fear of reforms and to get them going; to create a basis of reform economy, despite mistakes, sometimes the lack of professionalism and, again, the fear of rejecting the old; and to maintain under control the establishment of market mechanisms and the general situation in the economy. We further developed democracy in the political sphere and made a considerable progress in creating civic society. The principle of pluralism and [word indistinct] is being established in place of the monopoly on ideology. The issue of social partnership is being solved mainly in the civilized framework. The stability in inter- ethnic relations is being reliably maintained. Peace between faiths is being maintained in the conditions which are far from simple.

The state has not abandoned the humanitarian sphere. Moreover, reforms have been initiated almost in every direction and the potential of this sphere has been largely preserved. Ukraine's recognition and establishment in the world community has acquired qualitative dimensions. The most important sign of it is Ukraine's acceptance into the Council of Ukraine [words indistinct] has confirmed the possibility of [word indistinct] European model of our development. I know this very well [passage indistinct] the price of reforms is extremely high. [passage indistinct]

Second, we have to act in new conditions, due to the existence of the opposition, which does not comply with the generally accepted concept, but opposition against the system — its members proceed from the position of irreconcilable political opponents, both against the Ukrainian state as such and against the creation of fundamental social values. The third factor is connected with the insufficient understanding of the gravity of the crisis which we had inherited, although in my opinion we should not write everything off to the distant past [word indistinct] of today, otherwise society will not be able to comprehend the reasons for our slump.

At last, the fourth factor lies in the dimension of people's mood - which was given little attention - which could be described as exaggerated expectations from independence. The desire for positive results at the referendum of December 1991 first of all largely undermined the possibility of adequate evaluation of the prospects of transformations; secondly, created illusions that the reforms would be easy and that problems, accumulated over a long period, could be solved in a short time; thirdly, a perception was born on this basis that the authorities can fulfil any task without difficulties. This had set a trap for the authorities. It is difficult to take decisions which are going to be unpopular but which are crucially important for the country, because this leads to people losing confidence in the authorities. Since miracles do not exist, ideological self-intoxication of the public mood grows and there appears the phenomenon of lost hopes and a nostalgic yearning for the past with all its consequences, especially among older people, who find themselves in the most difficult conditions. The failure of the state to carry out properly its obligations in the social sphere aggravates the situation.

It is clear that no serious and responsible politician can ignore these sentiments, but at the same time it is irresponsible and immoral to build one's policy on their basis and seek the cause of people's justified discontent in the miscalculations and mistakes of the reform process, in its rejection and refusal to accept Ukrainian statehood. Our opponents do have a point in saying that almost half of all society is not ready for reforms yet. But let us not forget the main fact that more than half of it is ready for them. The key obstacle to reforms lies not in reluctance to accept new ideas, but in reluctance to give up the established dogmas.

Esteemed deputies, I deliberately began by dwelling on these issues, because I am fully confident that they are a crucial factor of our progress, above all, in the main sector of the economy. It is now at a responsible and critical stage of its development, which should be borne in mind while analysing the current state of social relations. In essence, the economic crisis in Ukraine is a complex web of disparate processes. Let me mention some of them. First is an objective economic decline in output, caused by a transformational transition to a market economy. It is quite obvious, that even with the best strategy and tactics, any large- scale transformation of economic relations cannot proceed without a decline in output. Another is the disintegration of two huge geopolitical amalgamations, the Soviet Union and the Council for Mutual Economic Assistance, which coincided in time and resulted in a total breakdown of economic ties.

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The structural crisis of the USSR economy, which began emerging back in the '70s and continued to deepen until its collapse, the inherited technological crisis, and the delay in the modernization of technological resources in the '70s and '80s prompted an urgent need to replace the entire productive base of the country. Then there was the energy crisis, caused by a steep rise in prices for fuel, most of which was imported because of the energy-intensive nature of our production. In addition, we had to pay a high price for the delay with economic reforms.

Ukraine experienced a much deeper economic slump than the countries which ensured an early start with market transformations. Therefore, the nature of the current economic crisis lies in many factors, and one should not seek it solely in the outcome of market reforms.

The absence of an independent active policy in Ukraine only in recent history caused an enormous economic decline. For a long time, the country was in a state of hyperinflation, with a deficient economy, consuming more than it produced and importing more fuel and other products than it exported. Foreign debt mounted. The shortage of investment into the economy made the country spend its national wealth, and there were virtually no emissionary revenues to cover the deficit. The absence of funds to honor foreign debt commitments was an increasing problem.

Ukraine's previous governments, consciously or under the pressure of circumstances, went on to issue cheap credits and print excess money, trying to achieve a breakthrough in the dynamics of production within a short space of time. This approach was chosen in the hope that emissionary injections would somewhat boost output and increase real wages for a while, while the shortage of products, caused by an increase in state control over prices, would be compensated by imports. The outcome of this course is known too well. The temporary feeling of an economic uplift, encouraged by inflationary demand rather than real purchasing capacity, quickly evaporated. The natural volume of output lagged behind the increasing weight of printed money. It could not be compensated with imports, because of the absence of hard currency funds. Meanwhile, there was a growing need for stricter price controls, increased wages and a state-regulated exchange rate.

This eventually called for new tax benefits, tough protectionism in foreign trade and more state regulation of production. Finally, the revival of virtually centralized planning, the centralization and nationalization of the distribution of goods and financial resources caused the inevitable rise in inflation, overt or hidden, through emerging product shortages. The rise in inflation, coupled with capital flight, undermined the national currency unit, which was increasingly substituted by freely convertible currencies and barter, while the sources of budget formation disappeared. An attempt to stabilize the situation with increased subsidies completed the collapse of the state budget. The drop in real wages affected an increasing number of people.

Who could benefit from this course of developments? First of all, it was some commercial institutions including newly established commercial banks, which thrived on financial instability and inflation, and could promote their interests in the government. This was also beneficial for inefficient enterprises which saw no future for themselves in a market economy, unable to compete with foreign producers. Preferential credits alone, as well as other forms of government support, enabled them to survive. In these conditions, the government was sliding fast into an abyss. There was no more room for maneuver, no painless options for development. Our only remaining option was to quickly take the road of reforms, which we did. However, even now, projects are still being drafted and circulated in senior state circles, grouped behind the idea of no less than a fight to prevent a national catastrophe.

What more can I say, when the state economic and social policy guidelines, approved by the Ukrainian parliament and backed by the world community, as well as the government action programme, have become objects of political attacks and sabotage on the part of certain high-ranking state officials. Labels such as "the ruling elite" and the "anti-people's regime" are not the only ones in their arsenal.

The latest argument voiced by advocates of moderate inflation and cautious reform is that Ukraine's economic crisis is of a unique national nature, and therefore, the road to economic recovery should be also a unique one, without any outside assistance. The only thing I agree with is that no two countries are the same and there can be no two identical anticrisis programs, and nobody but ourselves can complete this course. But strategic measures to overcome the trasnformational economic crisis are similar in post-Socialist countries and it is absurd to ignore it. Most of them successfully overcame their difficulties, without looking for some special way but persistently implementing reforms.

We are told that market mechanisms are being introduced alongside the removal of state involvement, that economic policy is being based on tough shock therapy methods, that economic ties have been artificially severed and the single economic area destroyed. In-

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deed, the need to support economic growth, assist profit-making enterprises, ensure macroeconomic stability, the development of enterprise and competition, mobilize the economy and attract investment is obvious to us. We have always welcomed constructive proposals concerning general principles of economic policy and we take them into account. At the same time, we cannot ignore certain unacceptable demands such as to impose restrictions on capital movement, control prices and wages, restrict foreign trade, oblige banks to finance loss-making projects and so forth. This would lead to the devaluation of the national currency unit, administrative control of the exchange rate and not only that. The state should rely on production, not the other way around, otherwise socialism would have proven its advantage. Besides, we simply do not have the resources for escalating state intervention in production. One cannot ignore new democratic trends. People themselves will not tolerate any irresponsible interference with the economy coming from officials who risk not their own wealth but taxpayers' money.

In 1995, Ukraine took firm steps to liberalize the economy and implement macroeconomic stabilization and privatization. The experience of the previous year, when the process of price liberalization had been virtually completed, made it possible to estimate the state's actual potential to regulate a list of prices and tariffs. As the range of free prices grew wider, the situation became more controllable. This is proven at least by the fact that we managed to avoid a steep rise in prices at the end of the year which had become habitual. The rise in wholesale prices and inflation was at its lowest in December. Life has vividly proven the failure of total control over prices, especially in those areas where they are set under the influence of supply and demand. That is why a decision was made to confine state control over prices to natural and some artificial monopolies which, by virtue of their position on the market, can dictate price requirements. The only area where price liberalization was introduced gradually was vital goods and services, such as municipal charges, rent, fuel supplies to residential consumers and public transport. The sphere of free price formation is being extended further along with the (?liberalization) of the economy and the creation of competition.

Ukraine has instituted very liberal import regulations, without any quantitative restrictions. As for import tariffs, their average rate is below 5 percent. Large-scale export liberalization has also been achieved. In particular, all export quotas and licenses have been lifted. The last of such quotas, for grain exports, expired at the end of 1995. This year, we have cancelled mandatory registration of export contracts as well as indicative prices as they turned out to be an obstacle for export. At the same time, we have always been guided by the principle that foreign trade liberalization by no means implies total removal of state influence on developments there. Taking into account the crisis in the industry, we need to introduce gradual measures of moderate protectionism with regard to potentially competitive producers. We are not being effective in this. In order to rectify the situation, we need to restrict first of all non-critical imports by means of a low excise duty policy which is only just beginning to develop.

The fundamental issue for a transitional economy is social organization. Economic stability depends to a large extent on stable society. It is a necessary precondition for economic progress. If our efforts to reform all areas of life, including such an important one as the economy, fail to find support among the people, all attempts to do something will be futile.

Meanwhile, it is in the social sphere that the situation is most painful. Property polarization is increasing, as well as hidden and overt unemployment, and the problem of poverty is becoming more and more serious. One should admit that, in many ways, we are trailing events in this area, often reacting only to open manifestation of social discontent. As they say, the spring is ready to snap. Push any further, and it will recoil with great destructive force. Fatigue and discontent threatens to overcome wisdom and endurance. Therefore, it is more than obvious that, in order to maintain the course of democratic reforms without provoking a social conflict, and to prevent a turn to the past, we need practical actions and a radical boost to the social policy. But this should be done not by populist slogans, which can only complete the destruction of the economy, but by steady measures to reform it in order to stabilize growth. An active social policy does not contradict the policy of economic stabilization. On the contrary, its absence results in low real wages and limited stabilization of economic growth. At the same time, this policy should be well-balanced, responsible and based primarily on the actual potential of the state.

The main tasks for 1996 are: While taming inflation and carrying out financial stabilization, to seek and use all possible measures, including nontraditional ones, to resolve the payments crisis — these policies should be conducted not only within the dynamics of macroeconomic indicators, but should reach the micro-level too so that they are felt by enterprises; structural reconstruction of the economy, combining the efforts of sectoral ministries (?and private) support; privatization measures; strengthening the stock market; reform of taxation policies, which should protect and ensure normal conditions of work for goods producers, making it possible

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for them to develop production mainly at their own cost — at the same time there should be good grounds for granting tax concessions and their consequences ought to be calculated and predicted; further privatization; active foreign economic policies, aimed in particular at a return of traditional markets for Ukrainian-made products; the further development of trade and economic links with foreign countries, in particular with the CIS, and above all with Russia. All other tasks stem from these, which make up the preconditions for steady economic growth.

Esteemed colleagues, you will probably agree with me that the humanitarian sphere is the most sensitive barometer of the general condition of the state, the level of people's spirituality, civilization, and solidarity, and is important to social stabilization, especially when reforms are under way, which are invariably accompanied by serious social distortions and huge painful changes in values.

The president's fundamental aims concerning work in this direction and processes for improving it were and remain a warning against excessive revolutionariness, and are aimed at reforms which do not lead to the loss of eternal values and which have been gained and felt in our own lives and by the world. Frankly speaking, neither can I accept the public reproaches that in this case we have only failures, and that we are engaged in destroying what has been achieved.

It is another matter that the humanitarian sphere now remains as it was before — without sufficient state support, while attempts to commercialize it in many cases have turned into an unspiritual onslaught. All of this demands from us fundamentally increased legal, organizational, and economic attention to the physical and moral health of society and its cultural and (?intellectual) development.

The current new realities dictate a necessity to increase the country's defense capabilities. A state program has practically been drawn up to build and develop Ukraine's armed forces. The proper military, political, and economic arguments and appraisals are to be implemented. Considerable attention is being paid to determining the main aims and directions of reform in the armed forces. This work has brought about many political passions and conjecture. Therefore, I would like to bring clarity and a measure of calm to this matter.

The main aim of military reform is to create a battleworthy army, capable of fulfilling the tasks of defending the country and not being an excessive burden to it. Taking this into account, the structure is to be optimized, the strength of the armed forces worked out, and measures taken to strengthen civilian control and military personnel policies in the Army and other military formations in Ukraine.

A corresponding decision has been made, and problems of financing the defense sphere, mobilization, and training, as well as the production of arms and military equipment, are being worked out. Naturally this requires a corresponding legislative basis. Reforms should focus on service personnel, from soldiers to generals, their patriotism and professional qualities, and there should be increased state attention to the Army and individuals in uniform.

Taking into account the extremely difficult situation in the military-industrial complex, I have given instructions that a state commission be set up to develop the conceptual principles of military technical and industrial policy and proposals to improve legislation, and coordinate and monitor the activity of state executive bodies in this sphere.

Ukraine's stable and predictable foreign policy as a democratic non-bloc country, which consistently fulfils the obligations it has assumed, in areas such as the sensitive one of nuclear disarmament, has met understanding and support in Europe and throughout the world. It is important that the world increasingly perceives Ukraine as an important factor in European security and development. We must consolidate this tendency. Ukraine is actively working on diversifying its foreign relations and increasing their efficiency.

Proceeding from the dialectic unity of Ukraine's economic and political interests, and the real steps it has already taken, one may with complete certainty determine the trend for expanding and developing integration into Europe. Our strategy is convergence with European-wide structures through two parallel paths — directly, and through membership in central, eastern, and southern European institutions. Integration into Europe is our conscious and strategic choice.

At the same time, I would like to reiterate that we are consistently in favor of developing integration processes within the framework of the Commonwealth of Independent States, based on the principles of mutual advantage and equality, without any restrictions on the participants. We view the CIS as an important support mechanism in the new conditions of equitable and mutually advantageous cooperation between independent states. However, we believe and adopt the firm stance that attempts to revive the Soviet Union have no historical prospects and only harm the development of normal integration processes.

Our line toward strategic partnership and equitable good-neighborly relations with Russia remains un-

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changed, and notwithstanding the fact that the visit to Ukraine by Russian President Boris Yeltsin has been postponed, the dialogue between the sides continues. We hope that a wide-ranging treaty will be concluded.

It is also necessary to note that the fundamental approach in our foreign policy course is to ensure its balanced and multi-faceted nature. We will continue to develop trade, economic, political, scientific, technical, and cultural links with states in such different regions as North America, Western Europe, Latin America, the Near and Far East, the Asia-Pacific region, and others. The main direction of our activity is to deepen cooperation with states with which a close and productive dialogue has already been established, to seek new partners, and to develop relations which will serve to ensure Ukraine's national interests.

Esteemed legislators, in order to ensure Ukraine enters a steady trajectory of development, whatever happens we must maintain political stability and direct political and public energy into a civilized channel. How far this line is followed depends on the extent of coordination regarding the president's, government's, and Supreme Council's actions, which should all fall within the constitutional remit of each branch of power.

In this connection, I consider it necessary to raise the issue of the continuity of state policy and express my fundamental viewpoint on it. We have wasted a great deal of time and lag behind in carrying out reforms. This is not because our state policies are a result of the actions of a considerable number of political subjects, but because the actions are of a chaotic nature, and moreover often unconstitional. This is a waste of effort by the executive and legislative branches of state power here in the center, and leads to political uncertainty and vagueness in the regional authorities. Finally, this vagueness is the responsibility of all and everyone individually.

I say openly and unambiguously that, as president of Ukraine, it does not suit me that embryonic state policy is dispersed between the branches of legislative and executive authority. It should and will be formed by one constitutionally determined body of state power and implemented by all of its branches. This constitutionally determined body is namely the president of Ukraine.

I am willing to cooperate with all branches of state power and political forces in Ukraine at the stage of parliament developing the main principles of state policy. However, when they have been legitimately deteremined — and by you incidentally — it is the constitutional duty of each one of them to act within it. My relations with the Ukrainian Supreme Council, the Cabinet of Ministers, and local state administrations will be constructed on just these principles. This is because disorder in our state is not caused by the division of powers, but by the now established desire of many to form and carry out their own state policies.

We have reached the stage whereby we badly need a basic law for the sake of unity, and this unity should occur through a consolidated constitution, embodying our statehood and the irreversibility of our course toward building a society in the interests of the invidividual and Ukraine's integration into the world community.

You are well aware of my stance toward the draft constiution, which has been passed to the Supreme Council, and the arguments over its debate and adoption. So, I will express only certain thoughts, above all (words indistinct) on the anti-people nature of the draft worked out by the Constitutional Commission, set up by the Supreme Council. First, I will remind you that a third of its articles are devoted to the invidual's rights and freedoms. Thus, the problem is not in its being anti-people, but in endeavors under this slogan to retain one's place in the future political system, or at least to have serious guarantees of political survival after the constitution is adopted, or otherwise not to allow it to be adopted.

Analysis gives grounds to predict that there are concealed endeavors within the Ukrainian political environment to form an interest in preserving chaos amid authority, so that it prevails over the necessity of carrying out constitutional reform. Individual comments and speeches make it possible to assert that some people view the adoption of the constitution through the prism of their own survival. I say directly, that in many cases one thing only can be seen in the various nonsensical schemes and proposals put forward — the desire to preserve one's own power position or consolidate it by pushing through one's own version of the constitution.

Perhaps this is why practically all versions of the development of events to do with adopting the constitution in the Ukrainian mass media are of a pessimistic nature. They are based on the principle of generation of conflict, the only difference in scenario being who does what to whom.

And therefore naturally the idea is being imposed on society that the constitutional process is the beginning of a full-scale political crisis, all reasons for which had been pushed to the background by the constitutional treaty, which made struggle between the branches of power senseless and groundless. I stand up for and will stand up for the following position: the adoption of the constitution is a logical and appropriate step in the progress of politics, the economy and social structure in recent years, which demands to be

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legalized and consolidated not only at the political and ideological level, but also at the constitutional and legal level. The consolidation of a new constitution would actually mean drawing a line under the stage of vagueness where political forces, party groupings and representatives of authority have the opportunity to practically uncontrollably command the political space, and in many ways the state's economic potential too, according to their judgement.

The constitution should lay down the legal and lawful foundations of a new and constructive stage of Ukraine's development, symbolize the irreversible consolidation of Ukrainian statehood and hopes for a better life, and demonstrate that the danger of Ukraine returning to an authoritarian and totalitarian form of state system has definitely been overcome, that order and stability have been strengthened, and that the exhausting struggle in the higher echelons of power has ended. I hope you share my opinion that in order to further develop reforms, stable political and economic rules of the game for all are needed, the establishment of which is possible only within the framework of a single legal system, consolidated in the constitution, and that everything respectively will be done to adopt it as soon as possible.

It is well known that above all democracy means responsibility. And that is why in free societies, which respect and encourage diverse opinions, dissidence in (?power) structures is inadmissible. I am saying this because on some issues members of the government allow themselves to take opposing positions after the corresponding decisions have been taken. Such freedom of thought, behind which lies mainly ambition, costs the country dearly, and we will not tolerate it any longer. Because we will say that the existence of several centers at government level for taking decisions, especially on economic issues, affects the quality of long-term programs and disorientates those carrying out the decisions, to say nothing of the general public.

We have made our choice and have determined the reference points of our development, and have in fact begun a large and difficult task. And we now have perhaps our last, but most realistic chance to ensure the irreversibility of reforms in order to consolidate a worthy future for Ukraine and its people. Our joint task, our joint responsibility is to make sure this path is travelled as speedily as possible and with as few losses as possible for society and each citizen. I believe that together with all of the people we will fulfill with honor the noble mission of creating the state called Ukraine. Thank you for your attention.

Economic Issues

Ukraine: Deputy Prosecutor Suspends Gas Complex Privatization

AU0504113996 Lvov ZA VILNU UKRAYINU in Ukrainian 2 Apr 96 p 1

[Unattributed report: "Olha Kolinko: 'Russia Will Not Get Ukrainian Gas Storage Facilities!'"]

[FBIS Translated Text] Russia is not giving up on its attempts to add Ukraine to its imperialist chariot. It resorts to various, frequently mean, methods — from calls to protect the rights of Ukraine's Russian-speaking citizens to threats of direct military aggression. The economic method is probably the most ignominious among them. An invisible but fierce war for the Ukrainian gas complex has now been in progress for more than a year. Resorting to blackmail, bribing corrupt officials, and taking advantage of the legal chaos, the Russian "Gazprom" [Gas Industry] tried to buy up the property of Ukraine's gas complex, especially such a tasty morsel as Ukrainian gas storage facilities — Bilche-Volytske, Uherske, and Bohorodchanske. Created by nature, these subsurface gas storage facilities are the largest in Europe. Owning these facilities, Russia might not just obtain huge profits from free gas transit to Western Europe, but also make political demands upon Ukraine by closing the gas tap at appropriate moments.

It is natural that Ukraine's political and civic organizations, which stand up for independence, including the People's Rukh [Movement for Independence], organized protest actions, and a group of people's deputies made relevant statements at the parliament.

The last dot in this story was put by Olha Kolinko, Ukraine's deputy prosecutor general. On her submission, privatization of the gas complex in Ukraine has been suspended. Russia will not get Ukrainian gas storage facilities.

Ukraine: Russia To Accept Ukrainian Oil Transportation Charges

LD0304221696 Moscow ITAR-TASS in English 2103 GMT 3 Apr 96

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV, April 4 (Itar-Tass) — Russia will accept new Ukrainian oil transportation charges just as any further change in the rates if tailored to Russian oil prices, the Ukrainian oil and gas committee said referring to Russia's Fuel Ministry.

In January 1996, Ukraine unilaterally increased charges for oil transit via a 712-kilometre (437-miles) sector of the ex-Soviet Druzhba oil pipeline on its territory.

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Ukraine said it would charge 5.2 dollars for every metric ton (mt) of the product with Russian oil transits ranging from 16 to 19 million mt a year. Russia initially protested the move saying the rate should not exceed 5 dollars.

The rate can be changed if Russia changes its oil prices or amounts of oil transferred, a source at the committee told TASS.

The source said that a protocol to this effect had been signed by Ukraine and sent to the Russian Fuel Ministry. The protocol will be valid for two years.

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Belarus

Belarus: Lukashenka Holds News Conference on Union With Russia

LD0404204496 Minsk Radio Minsk Network in Belarusian 1600 GMT 4 Apr 96

[FBIS Translated Excerpt] President of Belarus Alyaksandr Lukashenka today held a news conference on the treaty on creating a community between the Russian Federation and the Republic of Belarus, which was signed on 2 April. Here is an excerpt from the news conference:

[begin Lukashenka recording, in Russian] This treaty is an important stage in the development of the Belarusian-Russian integration. This was a stage of [word indistinct] coordinated decisions, fundamental approaches, and seeking the best forms of interstate relations. I must say that this treaty was developed by the presidents, parliament members, governments, and experts. We reached full understanding first of all on the following aspects: The Belarusian people and the peoples of Russia must be together because this is what they want. Especially with regard to Belarus, as you know that in the recent past we have had two referenda that answered clearly and directly the raised question.

We proceeded from the concept that the sides will not try to restore the Soviet Union as certain political forces and movements try to present it. Although I want to state in no ambiguous terms that I reject outright the point of view when the position of some political and movements is interpreted in a biased or intentional manner. In any case, it is probably not possible to restore the Soviet Union in the form in which it existed. I think that we must take everything that was good in the past and use it as a basis for our relations, including those within the union. We agreed that there will be an effective mechanism for bringing together intellectual and material resources for carrying out joint tasks. This is the essence of our treaty. We also agreed resolutely that our republics, our states, will remain sovereign states. Nobody will lose their independence in this process and this is the main issue.

Second, I want to stress that by signing the treaty Belarus not only has not lost its sovereignty but, in my opinion, is reinforcing its independence and sovereignty, leaning on the large resources of the Russian Federation and visa versa.

It is often said that Russia is gigantic and Belarus is a small country there cannot therefore be equality in this. Let me disagree with this. The text of the treaty has nothing in the way of comparative characteristics of our territories. Our republic is small in size but it is very powerful economically. Therefore, I think that such comparisons are absolutely inappropriate. Although it is true that as regards our territory we belong to different weight categories. I could use the ruling bodies of the community as an example. Both countries are represented in them absolutely equally. To be honest, Belarus has been given a preference. Let us look at just two bodies: The Supreme Council that was established according to the treaty [words indistinct] the treaty of the four. In both cases the Supreme Council is headed by the president of the Republic of Belarus. This already means a lot. In the other one — for a year, in the bilateral treaty — for two years [sentence as heard]. I will not rush into assessing the treaty as being disadvantageous for Belarus or unequal. Moreover, all the decisions that will be made within the bilateral treaty — it is stated clearly in it that there will be equal representation and each country will have one vote. The same goes for the number of votes in decision-making. What inequality is there?

Third, and it is very important, the treaty will be advantageous for all the categories of population. I want to emphasize first of all young people and old people — we made a point of giving a preferential position to these two social groups. Let us look at the possibilities and aspirations of young people to show themselves in this or that area, for example education and employment. In these respects, young people will have exclusively equal rights on the territory of the Russian Federation and the territory of the Republic of Belarus. They will not be foreigners on the territories of the two states. They can study freely, as it was in the Soviet Union, in any higher educational establishment of their choice. [passage omitted: praises Russian educational establishments]

As for the older generation, no doubt we will be unifying our legislation. The older generation will feel very soon the benefit of this treaty, especially in health and recreation. We will unify the legislation concerning pensions. I think that we will be able to raise the social level of our population and its protection to a sufficiently high level, especially if the economies of the two states begin to work properly as they used to once upon a time.

Fourth, the Community of Sovereign Republics is a qualitatively new stage of integration. I must say that it was the legal side of it that has now been formulated. We are being rightly prompted by employees in the cultural sphere: The politicians as it was [word indistinct] Rolan Bykov have done what we did a long time ago, from which we have never strayed, we have always been together in developing our cultures, and at last the politicians understood it too and implemented it. I will say more. Our heads of enterprises, in the fi-

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nal analysis, have never moved away from each other. Cruel reality forced them to be together within cooperation links and to work together. Therefore, we have acknowledged de jure what existed de facto. Probably the politicians should move ahead of the time and not follow the events.

Seventh [as heard], the Belarusian-Russian integration can and must consolidate our society because it is of benefit both for our people and all Slav people. In this connection, I would like to give a negative assessment to the politicians who by all means now try to drag young people especially onto the path if confrontation. They are trying now to use young people as an instrument of implementing their anti-presidential policy, especially in our country. You probably saw this clearly in the latest events in our country when various methods were used, people do not hesitate even at using the most sensitive issues for the Russians, including Chechnya, and say that Belarusians will go to fight in Chechnya tomorrow, although they do not believe this themselves.

I want to remind the journalists of the time when I spoke in the Supreme Soviet and reproached one of the leaders of our national radicals who at the time had urged our Belarusians to go to Chechnya to defend the independence and sovereignty of Chechnya and Chechen people. And today he has turned around to say the same but reproaching the president. Therefore, I am saying all the time that our people will be able, by defending our state and our territory, to be of use in defense terms to the Russian Federation, because in the western direction the Russians have virtually nothing left apart from the Belarusian army. I think that if we cover the western direction this will happen to defend the interests of both Belarusian and Russian people.

The main point I want to make in addressing our people — our young people, old people, and people of working age — let us wait and see. Time is the best healer. Time will show who is right. [end recording]

Belarus: Lukashenka Denounces Diplomats, Foreign Journalists

LD0404173096 Moscow NTV in Russian 1500 GMT 4 Apr 96

[Report over video by correspondent Aleksandr Stupnikov, including recorded comments by Belarusian President Alyaksandr Lukashenka; from the "Segodnya" newscast]

[FBIS Translated Excerpt] [Announcer Tatyana Mitkova] President of Belarus Alyaksandr Lukashenka made several sensational statements at a news conference in Minsk today. One of them was about the possibility of a fitting reply by Minsk to NATO's nuclear missiles, which the Czech Republic and Poland may deploy on their territory.

The second statement is connected with diplomats and journalists working on the territory of Belarus. Aleksandr Stupnikov, our own correspondent in Minsk, has more details.

[Stupnikov] Alyaksandr Lukashenka met journalists today among whom there were few foreign correspondents, including from the Russian media. The president of Belarus expressed dissatisfaction with the work of the Russian press that is not under the control of the Belarusian authorities and threatened, through his contacts at the highest level in Moscow, to sack journalists.

[Lukashenka, addressing meeting with participants seated at table] I am surprised by some of the mass media. I have now entered into active dialogue with the leaders of Russian Public Television, Russia TV channel, and NTV. I have found complete mutual understanding with them. I think that these journalists are probably working their final days in the Republic of Belarus and we will not allow these events to be interpreted in the manner they want.

[Stupnikov] Lukashenka went on to accuse the foreign mass media of efficient yet, at the same time, in his opinion, provocative coverage of events.

[Lukashenka] All of that was planned in the Western mass media. I have said that before. That is not the first such act, because that all went through the mass media of Western states in a few minutes. They are looking after our democracy. But, I say, what if that happened in your country? You probably wouldn't get to the bottom of who was there [passage as heard]!

[Stupnikov] The Belarusian president said that a number of Western diplomats, whom the president accused practically of organizing protest rallies by the opposition on 24 March, may soon be expelled from the republic.

[Lukashenka] We have protested to certain diplomats. We went to their diplomatic departments and asked them to leave the Republic of Belarus at once. Diplomats exist in order to look after their own affairs and to respect our laws, but not to march at the head of a column and lead illegal actions.

[Stupnikov] The president spoke of that in Belarusian Parliament earlier. For instance, staff members of the U.S. embassy were among the diplomats who watched the demonstrators march.

[Lukashenka, to parliament] I saw representatives of individual embassies who were walking there practically carrying banners. Either they were leading these rallies or it is not known what they were doing there.

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[Stupnikov] Lukashenka gave his own figures for the demonstrators on the streets of Minsk on 2 April, and told journalists that in the main they were uncomprehending, deceived teenagers. Eyewitnesses say, however, that up to 30,000 people took part in the protest rally, among whom there really were many young people.

[Lukashenka] They were not teenagers at all! Why? They flung children into it! I would simply urge people not to give in to provocations since they were children, children who went out and did not know what was wanted of them by those who had fled the republic and those who drove them to that.

[Stupnikov] The absolute majority of Belarusian independent newspapers have been printed abroad, in Lithuania, for a long time now. The latest events demonstrate clearly the attitude of the authorities to the mass media that is not under their control. [passage omitted]

[Mitkova] As far as our television company is concerned, President Lukashenka has not yet had any contact with the management of the television company regarding the work of the correspondent's office in Minsk. [passage omitted] [video shows Lukashenka addressing group around table, addressing parliament, archive footage of demonstrations on 2 April]

Belarus: Lukashenka Threatens NATO Over Missile Deployment

LD0404193696 Moscow INTERFAX in English 1707 GMT 4 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, April 4 (Interfax) — Belarus will take "adequate" measures if NATO places tactical nuclear weapons in Poland or the Czech Republic, Belarusian President Alyaksandr Lukashenka told a Thursday press conference in Minsk.

When asked if this meant that Belarus would in such an event halt the withdrawal of Russian nuclear warheads from its territory, Lukashenka declined to answer.

Although he supports "strict observance of all international agreements on cutting back nuclear arms," Lukashenka said that "NATO was not founded in order to place nuclear warheads in Eastern Europe." He also affirmed his opposition to NATO's plans for eastward expansion.

There are currently 18 tactical nuclear missiles and 3 spare warheads for them in Belarus, Lukashenka said.

When Belarus attained its sovereignty in 1991, Belarus had 81 missiles inherited from the USSR.

Belarus has always been Russia's military partner in practice, Lukashenka said, citing the fact that Minsk has never refused Russia the use of the Gantsevichiy radar station, a militarily significant object for the Russian army.

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Georgia

Georgia: Joint Statement Issued on Shevardnadze's Talks in Turkey

LD0404142596 Moscow ITAR-TASS in English 1248 GMT 4 Apr 96

[By Andrey Palariya]

[FBIS Transcribed Text] ANKARA, April 4 (ITAR-TASS) — Turkey and Georgia called on the international community to step up efforts to combat international terrorism in a joint statement on Thursday, which followed the official visit to Ankara of Georgia's President Eduard Shevardnadze.

The sides denounced any form of terrorism branding it as a gross violation of human rights.

Turkey supported the Tbilisi declaration of March 8 aimed at ensuring stability in the Caucasus region.

The declaration signed by Shevardnadze and his Azeri counterpart Heydar Aliyev, called on increasing the role of the Organization for Security and Cooperation in Europe in Transcaucasia and on uniformity of views as regards the transportation of Caspian oil and natural gas via Georgia and Turkey.

Georgia and Turkey agreed to set up a third check point on their border and established a joint committee to resolve border disputes.

During Shevardnadze's visit, the sides discussed a project for a railway to link Tbilisi with Kars, investment incentives and tourism development.

The package of ten agreements signed by Georgia and Turkey includes accords on border customs points, mutual assistance in legal matters and information exchange.

Georgia: Shevardnadze Ends Visit to Turkey; Returns to Tbilisi

LD0404210696 Tbilisi Radio Tbilisi Network in Georgian 1700 GMT 4 Apr 96

[FBIS Translated Excerpt] A Georgian Government delegation headed by Georgian President Eduard Shevardnadze completed its official visit to Turkey today. [passage omitted]

Tonight, the delegation returned to Tbilisi.

Georgia: Shevardnadze Gives Speech at Banquet for Romanian President

AU0404150996 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 28 Mar 96 p 1

["Speech by Georgian President Eduard Shevardnadze" at the banquet for Romanian President Ion Iliescu in Tbilisi on 26 March]

[FBIS Translated Text] Highly Esteemed Batono [Georgian polite form of address] President Iliescu, Esteemed guests, Ladies and gentlemen:

Almost one year has passed since my colleagues and I had the good fortune to visit most beautiful Bucharest that was hosting the summit of the Black Sea Economic Cooperation [BSEC] alliance. The city was still healing the wounds that it had received from the merciless confrontation between old and new. The city still bore traces of the storm that it had endured. However, there were no longer tanks positioned at crossroads and one could no longer hear the sound of firing. Even following my last visit to Romania as Soviet foreign minister, one could feel that clear progress was being made in the state. The first results of the new course pursued by the leadership were shaping up, a course that had been set by the council of the National Salvation Front as early as the end of December 1989 during the first hours of the revolution against the tyrant. All of us remember well that it was headed from the start by the future president of a free and democratic Romania, an experienced scholar and courageous person, our great friend and most desirable guest today, Ion Iliescu.

It was likewise fated that the Georgian people should also follow the path of destruction and civil confrontation toward those ideals for which innocent blood was shed in Bucharest and Timisoara. Georgia has gone through a period of wars, catastrophic economic decline, and hyperinflation and has today become a country that is able to enter into worthy partnership with all friendly states. This is shown by the ever increasing commercial and economic relations between us and by the Treaty on Friendship and Cooperation Between Georgia and Romania that we signed today and by that wide range of issues that we discussed during our talks with President Iliescu.

When we speak about our talks today or, in general, about dialogue between our countries, we cannot fail to recall the spiritual closeness of our peoples that goes back many centuries and has its origins in a single faith. We cannot fail to recall those people who laid the foundations for the indestructible friendship between the Romanian and Georgian peoples. Among others, we can single out our great ancestor, the eminent

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Romanian educator and religious and public figure Antimoz Iverieli who is viewed as a saint by the Romanian Orthodox Church and who is called Iveriano in your country.

Such a spiritual closeness links us with many countries that belonged to the former socialist bloc. The relations that were formed with them even during the Soviet period are undoubtedly our gain. After all, to a certain extent, they have already traversed that path that we still have to follow. We should study their experience of building statehood and adapt it to our conditions. This will make it easier for us to join the national family of peoples and accelerate our country's economic and political integration into Europe. We welcome the fact that Romania has received the status of an associate member of the EU.

I would now like to direct your attention to an issue that I believe is of vital importance for both our countries. I have in mind the Europe-Asia transport corridor. This EU project, which, I will say without exaggeration, is on a planetary scale, creates unique opportunities for the economic and cultural rapprochement of two continents. Thanks to it, the Caucasian and Central Asian states will establish relations with the developed states of western and central Europe, which will be useful to both sides. We had serious discussions on this and other topics with Azeri President Geydar Aliyev and Turkmen President Saparmurad Niyazov during their recent visits to Tbilisi. The Europe-Asia transport corridor project was one of the main subjects of conversation between myself and Uzbek President Islam Karimov in Tashkent last September. The same can also be said about my talks with President Nazarbayev. Romania and Georgia, which are Black Sea states, occupy a particular place in this project. The start of the project of the century and its successful implementation depend to a significant degree on peace and stability in our countries and model relations between our states and this is that happy occasion when the truly friendly relations between the peoples and their mutual sympathy coincide with the countries' long-term political and economic interests.

At the same time, one should also speak about that without which it will not be possible to establish a just and, therefore, lasting peace in the Caucasus. I have in mind the current conflicts in the region and the aggressive separatist regimes that have unleashed them and that are not only trampling on all civilized norms of human coexistence but are also preventing neighboring countries and regions from becoming included in systems of global integration. Unfortunately, the problem of separatism is not only Georgia's problem. We are grateful to the Romanian leadership that unconditionally supports Georgia's sovereignty and territorial integrity at all international forums. During my talks with Batoni President, we discussed the Georgian initiative, the Tbilisi declaration "A Peaceful Caucasus" that President Aliyev signed along with me and we pointed out that Romania, as a side that is directly interested in stability in the region, will support it fully.

I will dwell very briefly on the Black Sea economic alliance. Georgia and Romania hold the same views regarding its future. It is the wish of both of us that BSEC should become a full-fledged regional and international organization that will devote more attention to political as well as economic cooperation and will attain the level of integration that characterizes the European systems. We believe that this will correspond to the interests of the architecture of the continent's new security and will in no way oppose the aims of any country or organization.

Ladies and gentlemen,

Today is a special day for our countries. Today a new page has been written in the history of our peoples who have coexisted for many centuries. Allow me to make my contribution to this festive mood and drink a toast to the fraternal Romanian people and their leader, our great friend President Ion Iliescu, and all those accompanying him.

Georgia: Russian Peacekeepers' Mandate Extended Until 19 Jun

LD0404171896 Tbilisi IBERIA in Georgian 1220 GMT 4 Apr 96

[FBIS Translated Text] Tbilisi, 4 Apr — Georgian President Eduard Shevardnadze and Russian Defense Minister Pavel Grachev have agreed during their meeting in Tbilisi to have the mandate of the Russian peacekeeping forces stationed in the Abkhazian conflict zone extended until 19 June. The date has been chosen in connection with the presidential election in Russia scheduled for 16 June. The results of the election will be of profound significance for Georgia.

Georgia: Turkish Ships Heading for Abkhazia Ordered to Poti

LD0404155696 Tbilisi BGI in Russian 1310 GMT 4 Apr 96

[FBIS Translated Text] [no dateline as received] The Turkish Government issued an order instructing the captains of all Turkish ships heading for Abkhazia to enter the [Georgian] port of Poti for inspection. Turkish Prime Minister Mesut Yilmaz told Georgian President Eduard Shevardnadze yesterday. He said that only humanitarian goods are to be shipped to Abkhazia.

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This was reported by the "Ahoni" program of Georgian TV.

Georgia: Diplomat Explains Stance on Peacekeepers in Abkhazia

LD0404213596 Moscow INTERFAX in English 1707 GMT 4 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Apr 4 (INTERFAX) — Georgia's parliament may decide whether to extend or cancel the mandate of peacekeeping forces stationed in Abkhazia at its session on Friday or Saturday, Georgia's envoy to Moscow Boris Sichinava told Interfax on Thursday.

Tbilisi is willing to let the peacekeepers' mandate remain unchanged if ways are found to enable them to make a genuine contribution to the return of Georgian refugees to Abkhazia, he said.

Nevertheless, the diplomat stressed, Tbilisi "might raise the issue of withdrawing peacekeeping forces from Abkhazia," if Georgia's request to amend the mandate is turned down and no alternative version is worked out.

Georgia believes that "the consent of all the conflicting sides is not required to amend the peacekeepers' mandate or withdraw them from the conflict zone. That was needed only at the beginning of the peacekeeping operation," Sichinava said.

"The consent of Russia, whose troops are largely involved in the peacekeeping operation, and of Georgia, since peacekeepers are on its soil de jure, is sufficient to extend the mandate," he added.

Sukhumi, he said, may demand that the peacekeeping forces stationed in Abkhazia be removed, if their mandate is altered. It has a right to do so, he noted.

Commenting on the Tuesday session of the Council of CIS Foreign Ministers Sichinava admitted Tbilisi's proposal to amend the mandate did not find understanding among the participants. The issue will be handled later, he added. He said the final decision will be by the CIS Council of Heads of State.

He said everything boils down to financing because the change of mandate would mean a noticeable expansion of the force.

The Georgian side believes the force should grow from 2,000 to 6,000 persons. "The chief of the staff for coordinating CIS military cooperation Gen. Viktor Samsonov speaks of 15,000 men," the diplomat said.

In his opinion peacekeepers have carried out their initial function and the settlement is hindered by the inability of refugees to return to their homes.

"The return will pick up speed, if local power will be in the hands of peacekeepers. So far they have simply checked the administrative border of Abkhazia," he said.

Sichinava said about 200 Georgian refugees have returned to Abkhazia. He said many settled in Russia.

"In Moscow alone there are about 40,000 Georgians from Abkhazia. One can also find them in St. Petersburg, Sochi and other Russian cities," the official said.

In the opinion of the diplomat the situation cannot last long. "Tbilisi does not think it possible to settle it without changing the mandate," Sichinava said.

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Estonia

Estonia: France Backs Estonia's Bid for Integration Into EU

LD0404201396 Moscow INTERFAX in English 1728 GMT 4 Apr 96

[FBIS Transcribed Text] TALLINN, April 4 (INTERFAX) — France backs Estonia's bid for integration in the European Union as the best guarantee of its security, French President Jacques Chirac said in his message to his Estonian counterpart Lennart Meri.

French Senate Chairman Rene Monory handed over the message to Meri in Tallinn Thursday.

"France is rendering Estonia every assistance and support possible in this process," Chirac said in his message.

After Estonia regained independence in 1991, it "struck everyone with its economic development and is virtually ready for integration in Europe in the first lines of East European states," Monory said.

France does not want restoration of the former Soviet Union and is concerned about such statements in Russia, he said.

Many of the statements are caused by today's political situation and reflect the progress of the election race in Russia, Monory said. "We back Estonia's independence and are closely watching the events in Russia," he said.

Estonia: Moldova's Snegur on Ties Within CIS, NATO Expansion

LD0304134396 Tallinn Radio Tallinn Network in Estonian 1200 GMT 3 Apr 96

[FBIS Translated Text] Estonia's and Moldova's ministers should begin specific cooperation talks, Moldovan President Mircea Snegur and Estonian Prime Minister Tiit Vahi said at a meeting at Toompea today. Vahi said that the Estonian-Moldovan trade and economic cooperation agreement serves as a good basis for this. There are good cooperation prospects in the spheres of air and road transport, for example, Vahi said.

Asked by Vahi, Snegur gave an overview of Moldova's relations with Russia, Ukraine, and Romania, but also with the European Union and NATO.

Snegur does not object to economic integration with the CIS countries but firmly denies the possibility of political integration. Snegur regards relations with Ukraine, and with Romania in particular, as very good.

Moldova's orientation is toward integration into the western economy. Snegur said that the expansion of NATO does not represent a threat to anyone's security. Moldova, which is a member of the Council of Europe, has good cooperation with the NATO Partnership for Peace program, but Moldova is not aspiring toward NATO membership because, according to its constitution, Moldova is a neutral state, Snegur said.

Vahi was also interested in the situation in the Dniester Republic and in the forthcoming withdrawal of the 14th Army. Snegur said that in May yet another meeting is to be held in the Kremlin in Moscow attempting to regulate the problem. Snegur invited Vahi to an pay official visit to Moldova.

Today Snegur also met Toomas Savi, speaker of the Riigikogu, and studied the organization of work of the Riigikogu.

Estonia: Vahi Says Border Issue With Latvia To Be Negotiated

LD0404200596 Moscow INTERFAX in English 1539 GMT 4 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Prime Minister Tiit Vahi said that Estonia wants to resolve the dispute with Latvia over the sea border through talks.

Commenting on Latvia's government decision to establish unilaterally a border line in the Gulf of Riga as of April 15, Vahi said that Estonia sent to Latvia a four-point plan of resolving the issue last week but Latvia virtually rejected it.

Heads of negotiating teams will meet shortly to discuss the sea border and the Latvian team had officially promised to inform Estonia about the decisions their government will make. Then, Vahi said, Estonia will be able to state its position on this issue.

Estonia is convinced that the issue should be resolved through talks between two delegations. "Estonia must protect its legitimate border," Vahi said.

Estonia: Border Talks Official Warns Latvia Against Sending Warships

LD0404210596 Tallinn Radio Tallinn Network in Estonian 1700 GMT 4 Apr 96

[FBIS Translated Text] We have just now received some material from Parnu, from the Estonian-Latvian border talks, and we have an interview with Raul Malk [the Estonian delegation head]. Here it is.

[begin Malk recording] We discussed matters with the head of the Latvian delegation, Maris Riekstins, the chancellor of the Latvian Ministry of Foreign Affairs.

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today. We discussed issues related to the Estonian-Latvian sea border talks and fishing issues between the two countries. We agreed that the parties will restore the previously existing talks on fishing issues. The Estonian side has submitted a draft agreement on fishing issues between the two countries, and on 29 March we made a proposal for the concluding of a temporary and short-term fishing agreement. These questions would now be discussed by appropriate experts, alongside the talks on the subject of the border.

We received a detailed account about the Latvian Government's decision on the temporary sea border. In Latvia's opinion its fishermen would accordingly have a right to fish. This borderline, however, has been set in a way that is unacceptable to Estonia, particularly in the vicinity of the island of Ruhnu and we have also clearly said so. At the same time, the Latvian proposal contains elements which can be taken into consideration at further talks. The Estonian side will now study the proposals made by Latvia. We will continue our talks quite soon also on the questions related to the sea border in the Gulf of Riga.

Today's meeting was necessary. It enabled both parties to obtain additional information. However, we have no grounds to say that some kind of a breakthrough has been achieved. It amounts to one small step within the complicated process which is underway. And the Latvian side was told very clearly that the dispatch of Latvian warships quite close to the Estonian coast would amount to activity creating very serious problems in the relations between the two countries. [end recording]

Lithuania

Lithuania: Snegur Says Moldova Has No Plans To Join NATO

LD0404205896 Vilnius Radio Vilnius Network in Lithuanian 1600 GMT 4 Apr 96

[FBIS Translated Text] President of Moldova Mircea Snegur described relations with Lithuania as quite good, and added that he believed that possibilities for economic cooperation have not been completely exhausted, BNS reports.

Speaking at the Lithuanian Seimas today, the president stressed that Lithuania occupies ninth place in Moldova's foreign trade, adding that until now only three joint ventures were functioning and that agreements on investment protection, avoidance of duel taxation, and free trade have not been signed yet.

Mircea Snegur voiced a hope that a treaty on economic and trade cooperation to be signed tomorrow will pave the way to other agreements.

Speaking about the economic situation of the country, President Snegur pointed out that Moldova, among other CIS countries, has created one of the most favorable conditions for foreign investors. He invited Lithuanian businessmen to establish closer contacts with Moldovan businessmen.

The president spoke at length about the solution of the Dniester region problem. He voiced concern about spreading separatism and asked for support in convening an international conference devoted to the fight against separatism.

Speaking about NATO, Mircea Snegur said that although Moldova is taking part in the Partnership for Peace Program, it has no plans to join the alliance. Moldova adheres to the viewpoint that each country has the right to make its own decision. Moldova, as a neutral state, will seek only security guarantees, the president said.

Among the priorities in Moldova's foreign policy, the president mentioned relations with the CIS countries stressing at the same time, that Moldova was participating only in the economic activities of the CIS countries.

As a result of a change in today's schedule of the visit, President Mircea Snegur met Seimas Speaker Ceslovas Jursenas prior to his speech in the parliament.

Answering a question about integration processes among some of the CIS countries, the president stressed that the position of Moldova and Ukraine on this issue is identical — we support only economic cooperation.

Mircea Snegur expressed his gratitude to the Seimas and its delegation at the Parliamentary Assembly of the Council of Europe for support given to Moldova in joining the Council of Europe. [passage indistinct]

Speaking about relations with the neighboring Ukraine and Romania, Mircea Snegur described them as friendly. He said that several years ago there was a strong feeling from the Romanian side to become united, although today this feeling has gone, Mircea Snegur said.

Lithuania: Moldova Signs Agreement on Trade, Economic Cooperation

LD0504125996 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 5 Apr 96

[FBIS Translated Text] Moldovan President Mircea Snegur started the second day of his visit by having breakfast with Lithuanian Prime Minister Mindaugas Stankevicius. Shortly before 10 o'clock this morning,

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the presidents of Lithuania and Moldova took part in the document signing ceremony at the President's Office.

The Lithuanian-Moldovan intergovernmental agreement on trade and economic cooperation and several interdepartmental agreements have been signed. Moldovan President Mircea Snegur believes that cooperation between Lithuania and Moldova, which started in the 14th century, is important today as an integral part of common European security.

Speaking at a news conference today, the Moldovan president stressed that economic cooperation between the two countries will be revived by the documents signed currently in Vilnius.

Speaking about imports from Moldova, Lithuanian President Algirdas Brazauskas expressed great appreciation for Moldova's dry wine. We should drink more of this high quality noble drink at solemn occasions and at state or family holidays, he said. As an important part of Lithuania's export to Moldova, Algirdas Brazauskas mentioned Lithuanian-made TV kinescopes.

When asked to give their opinion on the new Russian-Belarusian union treaty, both presidents maintained that this was matter of mutual agreement between the two countries. Brazauskas is of the opinion that Russian and Belarus had made such a move because of their economic situation. I will make my conclusions when I see the results of this treaty, Brazauskas said. According to him, not a single cloud is darkening the relations between Lithuania, Russia, and Belarus at the moment. Snegur believes the Russian-Belarus treaty will not have any impact on his country. Moldova decided to take part only in economic activities of the CIS countries, he said.

Lithuania: Central Bank To Create Better Conditions for Foreign Banks

LD0404213396 Vilnius Radio Vilnius in English 1900 GMT 4 Apr 96

[FBIS Transcribed Text] The Bank of Lithuania says that it will try to create better conditions for the activities of foreign banks in Lithuania. The board of the Bank of Lithuania on Thursday [4 April] approved of a draft amendment to the law on commercial banks which should create preconditions for competition in the Lithuanian banking system and should fix equal requirements to both the local and foreign banks.

According to the central bank, after the amendment is passed foreign banks will be allowed to open their branch establishments and subsidiaries in Lithuania or have joint branches with some local bank.

The foreign banks will also be allowed to buy the shares of newly opened or already functioning banks in Lithuania with the permission of the Bank of Lithuania. The central bank will require that the share capital of the foreign bank who enter the Lithuanian market be not lower than the minimum share capital fixed for all local banks.

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